



New South Wales

Legislative Council

PARLIAMENTARY DEBATES (HANSARD)

**Fifty-Sixth Parliament
First Session**

Tuesday, 21 February 2017

Authorised by the Parliament of New South Wales

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LEGISLATIVE COUNCIL

Tuesday, 21 February 2017

The House met at 14:30.

Presiding Officers

PRESIDENT OF THE LEGISLATIVE COUNCIL

Vacancy

The CLERK: I announce the receipt of the following communication from His Excellency the Governor:

GOVERNMENT HOUSE
SYDNEY

Friday, 10 February 2017

The Honourable Trevor Khan, MLC
Acting President of the Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear President,

I have the honour to inform you that I have received a letter dated 30 January 2017 from The Honourable Don Harwin, MLC, tendering his resignation as President of the Legislative Council of New South Wales, effective immediately.

The Official Secretary to the Governor has acknowledged receipt of the letter from Mr Harwin, on my behalf, and has informed him that you have been advised of his resignation.

Yours sincerely

General the Honourable David Hurley, AC, DSC (Ret'd)
Governor of New South Wales

Election

The CLERK: Pursuant to the provision of section 22G of the Constitution Act 1902, I announce that as a consequence of a resolution passed by the House this day, a vacancy has occurred in the office of the President of the Legislative Council, and pursuant to the provisions of schedule 4 to the Constitution and Parliamentary Electorates and Elections (Amendment) Act 1978 I call for nominations for the office of President.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:31): I propose to the House and move:

That the Hon. John George Ajaka do take the chair of this House as President.

The Hon. John Ajaka is a person whose record has demonstrated the temperament, skills and experience required to undertake the role of President. He was first elected to the House in 2007. He served with distinction as Minister for Ageing, and Minister for Disability Services since 2013, Minister for Illawarra from 2013 to 2015, and since 2015 as Minister for Multiculturalism. He has also served as Deputy Leader of the Government in this House and as Leader of the Liberal Party in the Legislative Council. He has been member and chair on a number of committees, including general purpose standing committees, Standing Committee on Law and Justice, Committee on Children and Young People, Privileges Committee, and the committee on the New South Wales taxi industry.

Most members would know the Hon. John Ajaka's personal story. He was the first of his family to be born in Australia, at Bulli Hospital in 1956. His parents were hardworking Lebanese migrants who lived in the Illawarra. His whole family has prospered and achieved much in our country. He has had a long association also with the Rockdale area and has been a fierce and loyal advocate for that community, having served as a councillor for the City of Rockdale from 2004 until 2008, shortly after his election to this House.

He is also supremely respectful of the law and the institutions that govern it. He has a distinguished legal career of some 25 years behind him and has served on innumerable boards of companies, community organisations and charities. I am confident that he will be this House's master and its servant as its independent and impartial President, and as its representative to other institutions of responsible Government. I am confident that he will protect and preserve this Parliament House, the oldest public building in Australia, as the joint custodian of the

parliamentary precinct with Madam Speaker. He is absolutely to be recommended to all members, and I commend him to the House.

The CLERK: There being only one nomination, I invite the Hon. John Ajaka to address the House.

The Hon. JOHN AJAKA: I submit myself to the will of the House.

Members of the House calling on the Hon. John Ajaka to the chair, he was taken out of his place by the Hon. Don Harwin and conducted to the chair.

The PRESIDENT (14:35): I express to members my deep sense of the honour proposed to be conferred upon me, and I submit myself to the House. I also wish to convey to members my deep consciousness of the honour that this House has conferred upon me in choosing me as its independent and impartial President. I express my profound thanks and gratitude for the confidence that is posed in me. On behalf of all members, I thank the Hon. Don Harwin, Leader of Government, for his term of service as President of this House. I also pay tribute to two other presiding Presidents who presided over this Chamber since my election in 2007—the Hon. Peter Primrose and the Hon. Amanda Fazio.

The Hon. DON HARWIN: On behalf of all members of the Government and all members of the House, congratulations on assuming this high office. I know the President will do us all proud.

The PRESIDENT (The Hon. John Ajaka) took the chair at 14:37.

The PRESIDENT read the prayers and acknowledged the Gadigal clan of the Eora nation and its elders and thanked them for their custodianship of this land.

Presentation

The Hon. DON HARWIN: I will inform the House when I have ascertained it to be the pleasure of His Excellency the Governor to receive the Legislative Council to present their President to His Excellency.

Bills

BIODIVERSITY CONSERVATION BILL 2016

LOCAL LAND SERVICES AMENDMENT BILL 2016

INDEPENDENT COMMISSION AGAINST CORRUPTION AMENDMENT BILL 2016

ROCK FISHING SAFETY BILL 2016

Assent

The PRESIDENT: I report receipt of messages from the Governor notifying His Excellency's assent to the abovementioned bills.

Governor

ADMINISTRATION OF THE GOVERNMENT

The PRESIDENT: I report receipt of the following message from His Excellency the Governor:

GOVERNMENT HOUSE
SYDNEY

David Hurley
GOVERNOR

General David Hurley, AC, DSC (Ret'd), Governor of New South Wales has the honour to inform the Legislative Council that he has re-assumed the administration of the Government of the State.

Friday, 18 November 2016

ADMINISTRATION OF THE GOVERNMENT

The PRESIDENT: I report receipt of the following message from the Lieutenant-Governor:

GOVERNMENT HOUSE
SYDNEY

T Bathurst
LIEUTENANT-GOVERNOR

The Honourable Thomas Frederick Bathurst, AC, Lieutenant-Governor of the State of New South Wales, has the honour to inform the Legislative Council that, consequent on the Governor of New South Wales, His Excellency General the Honourable David Hurley, AC, DSC (Ret'd), being absent from the State, he has assumed the administration of the Government of the State.

Friday, 20 January 2017

ADMINISTRATION OF THE GOVERNMENT

The PRESIDENT: I report the receipt of the following message from His Excellency the Governor:

GOVERNMENT HOUSE
SYDNEY

David Hurley
GOVERNOR

General David Hurley, AC, DSC (Ret'd), Governor of New South Wales, has the honour to inform the Legislative Council that he has re-assumed the administration of the Government of the State.

Saturday, 21 January 2017

*Bills***BIODIVERSITY CONSERVATION BILL 2016****LOCAL LAND SERVICES AMENDMENT BILL 2016****Protest**

The PRESIDENT: I report the following communication from the Official Secretary to His Excellency the Governor of New South Wales to the Clerk of the Parliaments:

GOVERNMENT HOUSE
SYDNEY

Friday, November 18, 2016

The Clerk of the Parliaments

Dear Mr Blunt,

I write, at His Excellency's command, to acknowledge receipt of the Protest made on 16 November 2016, under Standing Order 161 of the Legislative Council, against the *Biodiversity Conservation Bill 2016* and *Local Land Services Amendment Bill 2016*, by the following honourable members of The Greens, namely:

- Dr Mehreen Faruqi, MLC
- Mr David Shoebridge, MLC
- Mr Jeremy Buckingham, MLC
- Ms Jan Barham, MLC
- Mr Justin Field, MLC

I advise that His Excellency the Governor notes the protest by the honourable members.

Yours sincerely,

Michael Miller, RFD

Official Secretary to the Governor of New South Wales

*Members***MS JAN BARHAM****Resignation**

The PRESIDENT: I report receipt of the following communication from His Excellency the Governor advising of the resignation of Ms Jan Barham, MLC, on 13 February 2017:

GOVERNMENT HOUSE
SYDNEY

Monday, 13 February 2017

The Honourable Trevor Khan, MLC
Acting President of the Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear President,

I have the honour to inform you that I have received a letter dated 13 February 2017 from the Honourable Jan Barham, MLC, tendering her resignation as a Member of the Legislative Council of New South Wales, effective immediately.

The Official Secretary to the Governor has acknowledged receipt of the letter from Ms Barham, on my behalf, and has informed her that you have been advised of her resignation.

Yours sincerely

General the Honourable David Hurley, AC, DSC (Ret'd)
Governor of New South Wales

The Governor's communication has been acknowledged and an entry regarding the resignation of Ms Barham from the fifty-sixth Parliament has been made in the Register of Members of the Legislative Council.

Bills

RETAIL LEASES AMENDMENT (REVIEW) BILL 2016
ABORIGINAL LAND RIGHTS AMENDMENT (LOCAL ABORIGINAL LAND COUNCILS) BILL 2016

First Reading

Bills received from the Legislative Assembly, and read a first time and ordered to be printed on motion by the Hon. Don Harwin.

Leave granted for procedural matters to be dealt with on one motion without formality.

The Hon. DON HARWIN: I move:

That standing orders be suspended to allow the passing of the bills through all remaining stages during the present or any one sitting of the House.

Motion agreed to.

The Hon. DON HARWIN: I move:

That the second readings of the bills stand as orders of the day for later hour of the sitting.

Motion agreed to.

Distinguished Visitors

DISTINGUISHED VISITORS

The PRESIDENT: Before I proceed, I take this opportunity to acknowledge in the President's Gallery a former President of the Legislative Council, the Hon. Max Willis, and the Hon. John Ryan, former member of the Legislative Council. Welcome to both of you.

Documents

CHILD DEATH REVIEW TEAM

Reports

The PRESIDENT: According to the Community Services (Complaints Reviews and Monitoring) Act 1993, I table the following reports of the NSW Child Death Review Team:

- (1) Annual report of NSW Child Death Review Team for year ended 31 December 2015, received out of session and authorised to be made public on 22 November 2016
- (2) Report entitled "Child Deaths from Vaccine Preventable Infectious Diseases, NSW 2005-2014", dated November 2016, received out of session and authorised to be made public on 22 November 2016

The Hon. DON HARWIN: I move:

That the reports be printed.

Motion agreed to.

INDEPENDENT COMMISSION AGAINST CORRUPTION

Reports

The PRESIDENT: According to the Independent Commission Against Corruption Act 1988, I table a report of the Independent Commission Against Corruption entitled "Investigation into the conduct of a senior officer of the NSW Department of Justice and others," dated November 2016, received out of session and authorised to be made public on 22 November 2016.

The Hon. DON HARWIN: I move:

That the report be printed.

Motion agreed to.

INSPECTOR OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION**Reports**

The PRESIDENT: According to the Independent Commission Against Corruption Act 1988, I table a report of the Inspector of the Independent Commission Against Corruption entitled "Report pursuant to Sections 57B & 77A Independent Commission Against Corruption Act 1988: Operation 'Dewar': Kevin Pallier Complaint", received out of session and authorised to be made public on 14 December 2016.

The Hon. DON HARWIN: I move:

That the report be printed.

Motion agreed to.

OMBUDSMAN**Reports**

The PRESIDENT: I table the following reports of the Acting Ombudsman:

- (1) Law Enforcement (Controlled Operations) Act 1997 and the Ombudsman Act 1974—Report entitled "Law Enforcement (Controlled Operations) Act 1997 Annual Report 2015-2016", dated November 2016, received out of session and authorised to be made public on 20 December 2016
- (2) Ombudsman Act 1974 and the Police Act 1990—Special Report entitled "Operation Prospect—volumes 1, 2, 3, 4, 5 and 6", dated December 2016, received out of session and authorised to be made public on 20 December 2016

The Hon. DON HARWIN: I move:

That the reports be printed.

Motion agreed to.

PRIVACY COMMISSIONER**Reports**

The PRESIDENT: According to the Privacy and Personal Information Protection Act 1998, I table a report of the Acting Privacy Commissioner entitled "NSW Informational Privacy Rights: Legislative Scope and Interpretation—Employer, Employee, and Agent Responsibilities: A Special Report under Section 61C Privacy and Personal Information Protection Act 1998", dated February 2017.

The Hon. DON HARWIN: I move:

That the report be printed.

Motion agreed to.

INFORMATION COMMISSIONER**Reports**

The PRESIDENT: According to the Government Information (Information Commissioner) Act 2009, I table a report of the Information Commissioner entitled "Report on the operation of the Government Information (Public Access) Act 2009: 2015-2016, Open Government, Open Access, Open Data", received out of session and authorised to be made public.

The Hon. DON HARWIN: I move:

That the report be printed.

Motion agreed to.

PARLIAMENTARY ETHICS ADVISER**Reports**

The PRESIDENT: According to the terms of the agreement made with the Clerk of the Parliaments and the Clerk of the Legislative Assembly, I table the annual report of the Parliamentary Ethics Adviser for year ended 30 June 2016.

*Commemorations***CENTENARY OF FIRST WORLD WAR**

The PRESIDENT (14:48): On the battlefield the year 1917 crept in almost unnoticed as Diggers, generals and politicians alike paused to contemplate the horror that had been the Somme; for soldiers in France and Flanders, the bitter winter was the coldest in living memory; and Australian politicians finally accepted that there would be no conscription and the Germans acted to strengthen the Hindenburg Line of defences. But there was activity elsewhere. In January British intelligence had intercepted the infamous Zimmerman telegram seeking to seduce Mexico into war with the United States with a promise of the restoration of lost territories in Texas and the south-west. During the month the American Government and then the American public would be made aware of these secret manoeuvrings. The American-Mexican border it seems to continue to be the subject of complex geopolitical events.

At the same time the Germans resumed their policy of unrestricted submarine warfare hoping to deny supplies and starve the British into compromise, if not surrender. In January/February the German U-boats sunk more than 500 ships in just 60 days—ominously including some American vessels. Indeed, the loss of the *Housatonic* on 3 February provoked the Americans to sever diplomatic ties with Germany as sentiment started to turn and the prospects of the United States of America being drawn into the Great War at last seemed real. Across another ocean and reflecting the truly global reach of conflict and events, on 14 February the British Government entered into an agreement with the Government of Japan that, after the War the British would recognise Japan's claim to all German territories in the Pacific north of the equator in return for a recognition of British, and eventually, Australian claims on all such territories to the south. How this would play out in just over two further decades remained to be seen.

We are forever reminded through tragedy that history repeats itself, and that lessons not learned will always be paid for. Between December 1915 and April 1916 the strategic town of Kut al-Amara, in what was then the Ottoman province of Mesopotamia, was the site of a major battle in which the British were forced to surrender. Some 13,000 British and Indian troops were taken into captivity. Seventy per cent of the British and 50 per cent of the Indians were to die as prisoners. It was the worst surrender of British troops since Yorktown during the American War of Independence in 1781, and has been described as the greatest single defeat of an Allied army in the Great War.

On 25 February 1917 Kut al-Amara was retaken by the British and the push to defeat the Ottoman empire gathered pace. The consequences of their defeat and the subsequent partitioning of its Middle Eastern empire have had implications to this very day. During the remainder of the month, Allied forces took the cities of Baghdad, Ramadi and Tikrit. A few years earlier, the names of those cities, other than historic Baghdad, would have hardly been known to most Australians. The names of these battlegrounds of the Great War have become much more familiar as exactly one hundred years since they had first been fought over in a clash of mighty empires, they are again surrounded by conflict. The extent to which innocent civilians suffer in these conflicts does give us cause to reflect on the events of history. Lest we forget.

*Members***MINISTRY**

The Hon. DON HARWIN: I inform the House that on 23 January 2017 his Excellency the Governor accepted the resignation of the Hon. Michael Bruce Baird as Premier, and Minister for Western Sydney and as a member of the Executive Council, which action involved the resignations of his colleagues from their respective offices and as members of the Executive Council. I further inform the House that on the same day the Governor appointed the following persons as members of the Executive Council and to the offices indicated:

The Hon. Gladys Berejiklian, MP
Premier

The Hon. Giovanni Domenic Barilaro, MP
Deputy Premier

I further inform the House that on 30 January 2017 His Excellency the Governor appointed the following persons as members of the Executive Council to the offices indicated:

The Hon. Giovanni Domenic Barilaro, MP
Minister for Regional New South Wales, and Minister for Small Business

The Hon. Dominic Francis Perrottet, MP
Treasurer, and Minister for Industrial Relations

The Hon. Niall Mark Blair, MLC

Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry
The Hon. Donald Thomas Harwin, MLC

Minister for Resources, Minister for Energy and Utilities, Minister for Arts, and Vice-President of the Executive Council
 The Hon. Anthony John Roberts, MP
 Minister for Planning, Minister for Housing, and Special Minister of State
 The Hon. Andrew James Constance, MP
 Minister for Transport and Infrastructure
 The Hon. Bradley Ronald Hazzard, MP
 Minister for Health, and Minister for Medical Research
 The Hon. Robert Gordon Stokes, MP
 Minister for Education
 The Hon. Mark Raymond Speakman, MP
 Attorney General
 The Hon. Troy Wayne Grant, MP
 Minister for Police, and Minister for Emergency Services
 The Hon. Victor Michael Dominello, MP
 Minister for Finance, Services and Property
 The Hon. Prudence Jane Goward, MP
 Minister for Family and Community Services, Minister for Social Housing, and Minister for the Prevention of Domestic Violence and Sexual Assault
 The Hon. Paul Lawrence Toole, MP
 Minister for Lands and Forestry, and Minister for Racing
 The Hon. David Andrew Elliott, MP
 Minister for Counter Terrorism, Minister for Corrections, and Minister for Veterans Affairs
 The Hon. Gabrielle Cecelia Upton, MP
 Minister for the Environment, Minister for Local Government, and Minister for Heritage
 The Hon. Stuart Laurence Ayres, MP
 Minister for Western Sydney, Minister for WestConnex, and Minister for Sport
 The Hon. Melinda Jane Pavey, MP
 Minister for Roads, Maritime and Freight
 The Hon. Matthew John Kean, MP
 Minister for Innovation and Better Regulation
 The Hon. Adam John Marshall, MP
 Minister for Tourism and Major Events, and Assistant Minister for Skills

 The Hon. Tanya Davies, MP
 Minister for Mental Health, Minister for Women, and Minister for Ageing
 The Hon. Sarah Mitchell, MLC
 Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education
 The Hon. Raymond Craig Williams, MP
 Minister for Multiculturalism, and Minister for Disability Services.

REPRESENTATION OF GOVERNMENT IN THE LEGISLATIVE COUNCIL

The Hon. DON HARWIN: I inform the House that in the representation of Government responsibilities in this Chamber I will act in respect of my own portfolios, and will represent the following Ministers:

The Hon. Gladys Berejiklian, MP, Premier
 The Hon. Dominic Perrottet, MP, Treasurer, and Minister for Industrial Relations
 The Hon. Anthony Roberts, MP, Minister for Planning, Minister for Housing, and Special Minister of State
 The Hon. Andrew Constance, MP, Minister for Transport and Infrastructure
 The Hon. Mark Speakman, MP, Attorney General
 The Hon. Victor Dominello, MP, Minister for Finance, Services and Property
 The Hon. Gabrielle Upton, MP, Minister for the Environment, Minister for Local Government, and Minister for Heritage
 The Hon. Stuart Ayres, MP, Minister for Western Sydney, Minister for WestConnex, and Minister for Sport
 The Hon. Niall Blair, MLC, will act in respect of his own portfolio and will represent the following Ministers in the other House in respect of the following portfolios:
 The Hon. John Barilaro, MP, Deputy Premier, Minister for Regional New South Wales, Minister for Skills, Minister for Small Business
 The Hon. Brad Hazzard, MP, Minister for Health, and Minister for Medical Research
 The Hon. Troy Grant, MP, Minister for Police, and Minister for Emergency Services
 The Hon. Paul Toole, MP, Minister for Lands and Forestry, and Minister for Racing
 The Hon. David Elliott, MP, Minister for Counter Terrorism, Minister for Corrections, and Minister for Veterans Affairs
 The Hon. Melinda Pavey, MP, Minister for Roads, Maritime and Freight
 The Hon. Adam Marshall, MP, Minister for Tourism and Major Events, and Assistant Minister for Skills
 The Hon. Sarah Mitchell, MLC, will act in respect of her own portfolio and will represent the following Ministers in the other House in respect of the following portfolios:

The Hon. Rob Stokes MP Minister for Education

The Hon. Pru Goward MP Minister for Family and Community Services, Minister for Social Housing, and Minister for the Prevention of Domestic Violence and Sexual Assault

The Hon. Matt Kean, MP, Minister for Innovation and Better Regulation

The Hon. Tanya Davies, MP, Minister for Mental Health, Minister for Women, and Minister for Ageing

The Hon. Ray Williams, MP, Minister for Multiculturalism, and Minister for Disability Services

SENIOR MINISTERS

The Hon. DON HARWIN: I inform the House that on 30 January 2017 the following persons were designated as senior Ministers:

The Hon. Dominic Francis Perrottet, MP

The Hon. Anthony John Roberts, MP

The Hon. Andrew James Constance, MP

The Hon. Bradley Ronald Hazzard, MP

The Hon. Robert Gordon Stokes, MP

The Hon. Mark Raymond Speakman, SC, MP

The Hon. Troy Wayne Grant, MP

The Hon. Victor Michael Dominello, MP

The Hon. Prudence Jane Goward, MP

The Hon. Paul Lawrence Toole, MP

The Hon. Gabrielle Cecelia Upton, MP

PARLIAMENTARY SECRETARIES

The Hon. DON HARWIN: I inform the House that on 1 February 2017 certain members were appointed as Parliamentary Secretaries to the offices indicated:

Mr Kevin John Anderson, MP

Parliamentary Secretary for Regional Roads and Transport

The Hon. David Clarke, MLC

Parliamentary Secretary for Justice

The Hon. Richard Hargrave Colless, MLC

Parliamentary Secretary for Natural Resources and Western NSW

Mr Mark Joseph Coure, MP

Parliamentary Secretary for Transport and Infrastructure

The Hon. Catherine Eileen Cusack, MLC

Parliamentary Secretary for Education and the Hunter

The Hon. Scott Glynn Farlow, MLC

Parliamentary Secretary to the Premier (Leader of the House) in the Legislative Council

The Hon. Benjamin Cameron Franklin, MLC

Parliamentary Secretary for Renewable Energy and Northern NSW

Mr Christopher Gulaptis, MP

Parliamentary Secretary for Regional Planning

Mr Alister Andrew Henskens, MP

Parliamentary Secretary for Finance, Services and Property

Dr Geoffrey Lee, MP

Parliamentary Secretary to the Premier, Western Sydney and Multiculturalism

Mr Scot MacDonald, MLC

Parliamentary Secretary for Planning and the Central Coast

Mr Daryl William Maguire, MP

Parliamentary Secretary for the Centenary of ANZAC, Counter Terrorism, Corrections and Veterans

Mr Jonathan Richard O'Dea, MP

Parliamentary Secretary to the Premier and Treasurer

Mr Anthony John Sidoti, MP

Parliamentary Secretary to Cabinet

The Hon. Bronwyn Taylor, MLC

Parliamentary Secretary to the Deputy Premier and Southern NSW

Mr Gareth James Ward, MP

Parliamentary Secretary for the Illawarra and South Coast

Mrs Leslie Gladys Williams, MP

Parliamentary Secretary for Regional and Rural Health

LEADER AND DEPUTY LEADER OF THE GOVERNMENT

The Hon. DON HARWIN: I inform the House that on 30 January 2017 I was appointed Vice-President of the Executive Council and Leader of the Government in the Legislative Council. On the same day, the Hon. Niall Blair was appointed Deputy Leader of the Government in the Legislative Council, and the Hon. Scott Farlow was appointed Leader of the House in the Legislative Council.

LEADER OF THE LIBERAL PARTY AND GOVERNMENT WHIP

The Hon. DON HARWIN: I inform the House that consequent upon my appointment by the Premier as Leader of the Government in the Legislative Council and Vice-President of the Executive Council, I was also appointed Leader of the Liberal Party in the Legislative Council. The Hon. Natasha Maclaren-Jones remains Government Whip.

LEADER OF THE NATIONALS, DEPUTY LEADER OF THE NATIONALS AND DEPUTY GOVERNMENT WHIP

The Hon. NIALL BLAIR: I inform the House that on 6 February 2017 I was elected Leader of The Nationals in the Legislative Council, the Hon. Sarah Mitchell was elected Deputy Leader of The Nationals in the Legislative Council and the Hon. Ben Franklin was re-elected as Deputy Government Whip in the Legislative Council.

I offer my congratulations to my colleague the Hon. Sarah Mitchell, but I also acknowledge the leadership of the Hon. Duncan Gay, who has provided not only to The Nationals but also as former Government Leader in this House. I am sure there will be plenty more opportunities to be talk about his contribution as time goes on.

*Documents***TABLING OF PAPERS**

The Hon. SCOTT FARLOW: I table the following papers:

- (1) Independent Pricing and Regulatory Tribunal Act 1992:
 - (a) Electricity transmission reliability standards—An economic assessment, Energy—Final Report, dated August 2016
 - (b) Electricity transmission reliability standards—Unserved energy allowances for Inner Sydney and Broken Hill, Molong, Mudgee, Mungah and Wellington Town, Energy—Supplementary Final Report, dated November 2016
- (2) Workplace Injury Management and Workers Compensation Act 1998—Report of Workers Compensation Independent Review Office for year ended 30 June 2016

I move:

That the reports be printed.

Motion agreed to.

TABLED PAPERS NOT ORDERED TO BE PRINTED

The Hon. SCOTT FARLOW: According to Standing Order 59, I table a list of all papers tabled and not ordered to be printed since 8 November 2016.

*Committees***LEGISLATION REVIEW COMMITTEE****Report: Legislation Review Digest No. 31/56**

The Hon. GREG PEARCE: Mr President, may I congratulate you on your unexpected position. I know you will do a fantastic job.

I table the report of the Legislation Review Committee entitled "Legislation Review Digest No. 31/56", dated 21 February 2017. I move:

That the report be printed.

Motion agreed to.

COMMITTEE ON CHILDREN AND YOUNG PEOPLE**Report: Sexualisation of Children and Young People**

The Hon. PAUL GREEN: Mr President, on behalf of the Christian Democratic Party I congratulate you on your new position and wish you well. I also thank the former President and I look forward to working with the Hon. Don Harwin as the Leader of the Government in this Chamber.

On behalf of the Chair, I table report No. 2/56 of the Committee on Children and Young People, entitled "Sexualisation of children and young people", dated November 2016. I move:

That the report be printed.

Motion agreed to.

The Hon. PAUL GREEN (15:20:2): I move:

That the House take note of the report.

Debate adjourned.*Petitions***SINGLE-USE PLASTIC BAGS**

Dr MEHREEN FARUQI: Mr President, on behalf of The Greens I add my congratulations. I also thank the former President. I seek leave to table a USB stick containing the names of 107,073 citizens calling on the Government to ban single-use plastic bags at retail outlets in New South Wales.

Leave not granted.*Documents***TABLING OF PAPERS**

The CLERK: I announce receipt of the following reports presented since the last sitting of the House:

That the following papers be printed:

- (1) Animal Research Act 1985—Report of Animal Research Review Panel for year ended 30 June 2016.
- (2) Annual Reports (Departments) Act 1985—Erratum to report of Department of Family and Community Services for year ended 30 June 2016.
- (3) Annual Reports (Statutory Bodies) Act 1984—Reports for year ended 30 June 2016:
Building Professionals Board
TAFE NSW.
- (4) Gaming Machine Tax Act 2001—Notice of publication of ClubGRANTS Guidelines, dated 18 January 2017.
- (5) Legal Professional Uniform Law Application Act 2014—
 - (a) Report of Legal Services Council for year ended 30 June 2016, incorporating Report of the Commissioner for Uniform Legal Services Regulation; and
 - (b) Report of Law Society of New South Wales Professional Standards Department for year ended 30 June 2016.
- (6) Passenger Transport Act 1990 and Transport Administration Act 1988—
 - (a) Report of Office of Transport Safety Investigations entitled "Bus Safety Investigation: Fire involving state transit Bus MO 1414, Dudley, NSW", dated 28 April 2016;
 - (b) Report of Office of Transport Safety Investigations entitled "Bus Safety Investigation Report: School child pedestrian fatality, Coolagolite NSW", dated 8 August 2016;
 - (c) Report of Office of Transport Safety Investigations entitled "Bus Safety Investigation Report: Unintentional opening of bus rear door, Point Clare", dated 19 May 2016;
 - (d) Report of Office of Transport Safety Investigations entitled "Bus Safety Investigation Report: Unmanned/Uncontrolled movement resulting in driver fatality, Hurstville", dated 3 February 2016;
 - (e) Report of Office of Transport Safety Investigations entitled "Bus TV1175 loss of control, Tamborine Mountain, Near Wongawallan QLD", dated 18 March 2016; and
 - (f) Report of Office of Transport Safety Investigations entitled "Ferry Safety Investigation Report: Rocks rhythm boat loss of control, White Bay, Port Jackson", dated 10 January 2016.
- (7) Public Defenders Act 1995—Report of Public Defenders for year ended 30 June 2016.
- (8) Radiation Control Act 1990—Report of Radiation Advisory Council for year ended 30 June 2016.

- (9) Sydney Water Act 1994— Report of Independent Pricing and Regulatory Tribunal entitled "Sydney Water Corporation Operational Audit 2015-16: Report to the Minister—Water—Compliance Report", dated December 2016.
- (10) Water NSW Act 2014—Report of Independent Pricing and Regulatory Tribunal entitled "WaterNSW Operational Audit 2015-16: Report to the Minister—Water—Compliance Report", dated December 2016.

AUDITOR-GENERAL

Reports

The CLERK: In accordance with the Public Finance and Audit Act 1983, I table the receipt of the following reports of the Auditor-General:

- (1) Financial Audit report, Volume Seven 2016: Report on Law and Order, Emergency Services and the Arts, dated November 2016, received out of session and authorised to be printed on 24 November 2016
- (2) Financial Audit report, Volume Eight 2016: Report on Premier and Cabinet, dated November 2016, received out of session and authorised to be printed on 29 November 2016
- (3) Performance Audit report entitled "CBD and South East Light Rail Projects: Transport for NSW", dated November 2016, received out of session and authorised to be printed on 30 November 2016

The Hon. DANIEL MOOKHEY: Under Standing Order 57 I move:

That the House take note of the Performance Audit report entitled "CBD and South East Light Rail Projects: Transport for NSW".

Debate adjourned.

The CLERK: In accordance with the Public Finance and Audit Act 1983, I further announce receipt of the following reports of the Auditor-General:

- (4) Financial Audit report, Volume Nine 2016: Report on Transport, dated December 2016, received out of session and authorised to be printed on 1 December 2016.
- (5) Financial Audit report, Volume Ten 2016: Report on Planning and Environment, dated December 2016, received out of session and authorised to be printed on 6 December 2016.
- (6) Financial Audit report, Volume Eleven 2016: Report on Health, dated December 2016, received out of session and authorised to be printed on 8 December 2016.
- (7) Financial Audit report, Volume Twelve 2016: Report on Industry, Skills, Electricity and Water, dated December 2016, received out of session and authorised to be printed on 14 December 2016.
- (8) Financial Audit report, Volume Thirteen 2016: Report on Education, dated December 2016, received out of session and authorised to be printed on 15 December 2016.
- (9) Performance Audit report entitled "Assessing major development applications: Planning Assessment Commission", dated January 2017, received out of session and authorised to be printed on 19 January 2017.

Committees

GENERAL PURPOSE STANDING COMMITTEE NO. 4

Report: Budget Estimates 2016-2017

The CLERK: According to standing order, I announce the receipt of report No. 33 of General Purpose Standing Committee No. 4 entitled "Budget Estimates 2016-2017", dated November 2016, together with transcripts of evidence, tabled documents, correspondence and answers to questions taken on notice, received out of session and authorised to be printed on 18 November 2016.

The Hon. ROBERT BORSACK (15:04:3): Mr President, on behalf of the Shooters, Fishers and Farmers Party I welcome you to the Chair. We look forward to your fair and highly unbiased administration of this House. I move:

That the House take note of the report.

Debate adjourned.

GENERAL PURPOSE STANDING COMMITTEE NO. 1

Report: Budget Estimates 2016-2017

The CLERK: According to standing order, I announce the receipt of report No. 44 of General Purpose Standing Committee No. 1 entitled "Budget Estimates 2016-2017", dated November 2016, together with transcripts of evidence, tabled documents, correspondence and answers to questions taken on notice, received out of session and authorised to be printed on 25 November 2016.

Reverend the Hon. FRED NILE (15:05:3): Mr President, I add my congratulations on your election to the very high office of President. I move:

That the House take note of the report.

I include my thanks to the Committee members, staff and witnesses in the preparation of that report.

Debate adjourned.

GENERAL PURPOSE STANDING COMMITTEE NO. 5

Report: Budget Estimates 2016-2017

The CLERK: According to standing order, I announce the receipt of report No. 44 of General Purpose Standing Committee No. 5 entitled "Budget Estimates 2016-2017", dated November 2016, together with transcripts of evidence, tabled documents, correspondence and answers to questions taken on notice, received out of session and authorised to be printed on 25 November 2016.

The Hon. ROBERT BROWN (15:06:3): Mr President, I offer my personal congratulations to you on your surprising election to the Chair. I move:

That the House take note of the report.

Debate adjourned.

GENERAL PURPOSE STANDING COMMITTEE NO. 6

Report: Budget Estimates 2016-2017

The CLERK: According to standing order, I announce the receipt of report No. 5 of General Purpose Standing Committee No. 6 entitled "Budget Estimates 2016-2017", dated November 2016, together with transcripts of evidence, tabled documents, correspondence and answers to questions taken on notice, received out of session and authorised to be printed on 25 November 2016.

The Hon. PAUL GREEN (15:07:2): I move:

That the House take note of the report.

Debate adjourned.

SELECT COMMITTEE ON THE LEGISLATIVE COUNCIL COMMITTEE SYSTEM

Report: The Legislative Council Committee System

The CLERK: According to standing order, I announce the receipt of a report of the Select Committee on the Legislative Council Committee System dated November 2016, together with transcripts of evidence, submissions, correspondence and answers to questions taken on notice, received out of session and authorised to be printed on 28 November 2016.

The Hon. SCOTT FARLOW (15:08:1): Mr President, I apologise for not paying sufficient homage to your greatness before. I also congratulate you on your election to the Chair. I move:

That the House take note of the report.

Debate adjourned.

STANDING COMMITTEE ON STATE DEVELOPMENT

Report: Regional planning processes in New South Wales

The CLERK: According to standing order, I announce the receipt of report No. 41 of the Standing Committee on State Development entitled "Regional planning processes in New South Wales", dated November 2016, together with transcripts of evidence, tabled documents, submissions, correspondence and answers to questions taken on notice, received out of session and authorised to be printed on 28 November 2016.

The Hon. GREG PEARCE (15:09:0): I move:

That the House take note of the report.

Debate adjourned.

GENERAL PURPOSE STANDING COMMITTEE NO. 2**Report: Budget Estimates 2016-2017**

The CLERK: According to standing order, I announce the receipt of report No. 45 of General Purpose Standing Committee No. 2 entitled "Budget Estimates 2016-2017", dated December 2016, together with transcripts of evidence, tabled documents, correspondence and answers to questions taken on notice, received out of session and authorised to be printed on 2 December 2016.

The Hon. GREG DONNELLY (15:09:4): Mr President, I too offer my congratulations on your election to office. I move:

That the House take note of the report.

Debate adjourned.

GENERAL PURPOSE STANDING COMMITTEE NO. 3**Report: Budget Estimates 2016-2017**

The CLERK: According to standing order, I announce the receipt of report No. 35 of General Purpose Committee No. 3 entitled "Budget Estimates 2016-2017", dated December 2016, together with transcripts of evidence, tabled documents, correspondence and answers to questions taken on notice, received out of session and authorised to be printed on 2 December 2016.

The Hon. MICHAEL GALLACHER (15:10): I move:

That the House take note of the report.

Debate adjourned.

STANDING COMMITTEE ON SOCIAL ISSUES**Report: Childhood overweight and obesity**

The CLERK: According to standing order, I announce the receipt of report No. 51 of the Standing Committee on Social Issues entitled "Childhood overweight and obesity", dated December 2016, together with transcripts of evidence, tabled documents, correspondence and answers to questions taken on notice, received out of session and authorised to be printed on 15 December 2016.

The Hon. SCOTT FARLOW (15:11:1): I move:

That the House take note of the report.

Debate adjourned.

GENERAL PURPOSE STANDING COMMITTEE NO. 3**Report: Inner city public primary school enrolment capacity and redevelopment of Ultimo Public School**

The CLERK: According to standing order, I announce the receipt of report No. 36 of General Purpose Standing Committee No. 3 entitled "Inner city public primary school enrolment capacity and redevelopment of Ultimo Public School", dated February 2017, together with transcripts of evidence, tabled documents, correspondence and answers to questions taken on notice, received out of session and authorised to be printed on 13 February 2017.

The Hon. MICHAEL GALLACHER (15:11): I move:

That the House take note of the report.

Debate adjourned.

LEGISLATION REVIEW COMMITTEE**Report: Legislation Review Digest No. 30/56**

The CLERK: According to the Legislation Review Act 1987, I announce the receipt of a report of the Legislation Review Committee entitled "Legislation Review Digest No. 30/56", dated February 2017, received out of session and authorised to be printed on 15 February 2017.

*Documents***GREYHOUND RACING INDUSTRY BAN****Production of Documents: Further Order**

The CLERK: According to the resolution of the House of Wednesday 14 September 2016, I table documents relating to a further order for papers relating to greyhound welfare, not received in the initial return, received on Monday 5 December 2016 from Mr John Dalzell, partner of Denton's Australia, formerly known as Gadens Lawyers, on the half of Greyhound Racing NSW, together with redacted versions of amended pages of the index originally provided on 12 October 2016.

I further table one box of additional documents not received in the initial return, received on Wednesday 14 December 2016 from Mr John Dalzell on behalf of Greyhound Racing NSW.

Claim of Privilege

The PRESIDENT: I inform the House that on Monday 21 November 2016 the Clerk received from Dr Mehreen Faruqi written correspondence disputing the validity of the claim of privilege on documents lodged on Wednesday 12 October 2016 relating to the greyhound welfare further order. According to standing order, the Hon. Keith Mason, AC, QC, was appointed as an independent arbitrator to evaluate and report as to the validity of the claim of privilege. The Clerk released the disputed documents to Mr Mason. Mr Mason invited submissions from members, the Department of Premier and Cabinet and Greyhound Racing NSW.

Consequently submissions and further correspondence were received from Dr Mehreen Faruqi and Greyhound Racing NSW, including correspondence indicating that Greyhound Racing NSW was prepared to waive its claim of privilege with respect to some disputed documents and to partially withdraw its claim of privilege over other documents by way of providing a redacted version of those documents. I further inform the House that Mr Mason has now provided his report to the Clerk, together with submissions from Dr Mehreen Faruqi and Greyhound Racing NSW. The report and submissions are available for inspection by members of the Legislative Council only.

WENTWORTH PARK SPORTING COMPLEX TRUST**Return to Order**

The CLERK: According to resolution of the House of 16 November 2016, I table documents relating to an order for papers regarding the indoor sports stadium near Wentworth Park Sporting Complex Trust received on 7 December 2016 from the Deputy Secretary, Cabinet and Legal, of the Department of Premier and Cabinet, together with an indexed list of documents.

Claim of Privilege

The CLERK: I table a return identifying those of the documents that are claimed to be privileged and should not be tabled or made public. I advise that according to standing order the documents are available for inspection by members of the Legislative Council only.

*Committees***GENERAL PURPOSE STANDING COMMITTEE NO. 3****Government Response: Reparations for the Stolen Generations in New South Wales**

The CLERK: According to standing order, I announce receipt of the Government response to report No. 34 of General Purpose Standing Committee No. 3 entitled "Reparations for the Stolen Generations in New South Wales: Unfinished Business", tabled on 23 June 2016, received out of session and authorised to be printed on 2 December 2016.

JOINT STANDING COMMITTEE ON ELECTORAL MATTERS**Government Response: Inquiry into the Final Report of the Expert Panel-Political Donations and the Government's Response**

The CLERK: According to standing order, I announce receipt of the Government response to report No. 1/56 of the Joint Standing Committee on Electoral Matters entitled "Inquiry into the Final Report of the Expert Panel—Political Donations and the Government's Response", tabled on 24 June 2016, received out of session and authorised to be printed on 9 January 2017.

GENERAL PURPOSE STANDING COMMITTEE NO. 2**Government Response: Elder abuse in New South Wales**

The CLERK: According to standing order, I announce receipt of the Government response to report No. 44 of the General Purpose Standing Committee No. 2 entitled "Elder Abuse in New South Wales", tabled on 24 June 2016, received out of session and authorised to be printed on 9 January 2017.

STANDING COMMITTEE ON LAW AND JUSTICE**Government Response: First review of the Compulsory Third Party insurance scheme**

The CLERK: According to standing order, I announce receipt of the Government response to report No. 59 of the Standing Committee on Law and Justice entitled "First Review of the Compulsory Third Party insurance scheme", tabled on 19 August 2016, received out of session and authorised to be printed on 21 February 2017.

STANDING COMMITTEE ON STATE DEVELOPMENT**Government Response: Economic development in Aboriginal communities**

The CLERK: I table correspondence from the Hon. Leslie Williams, MP, then Minister for Early Childhood Education, and Minister for Aboriginal Affairs, and Assistant Minister for Education, dated 11 January 2017, advising that the Government response to report No. 40 of the Standing Committee on State Development entitled "Economic development in Aboriginal communities", tabled on 30 September 2016, which response is due on 30 March 2017, will now be provided on 1 May 2017.

*Petitions***RESPONSES TO PETITIONS**

The CLERK: I announce receipt, pursuant to sessional order, of the following responses to petitions signed by more than 500 persons:

- (1) Response from the Hon. Gabrielle Upton, MP, then Attorney General, to a petition presented by Reverend the Hon. Fred Nile on 8 November 2016 concerning Abortion Law Reform, received out of session and authorised to be printed on 24 November 2016.
- (2) Response from the Hon. John Barilaro, MP, the Minister for Skills, and Minister for Small Business, to a petition presented by the Hon. Mick Veitch on 16 November 2016 concerning TAFE Funding, received out of session and authorised to be printed on 6 December 2016.
- (3) Response from the Hon. Jillian Skinner, MP, then Minister for Health, to a petition presented by Mr David Shoebridge on 8 November 2016 concerning Human Organ Trafficking, received out of session and authorised to be printed on 20 December 2016.
- (4) Response from the Hon. Jillian Skinner, MP, then Minister for Health, to a petition presented by the Hon. Paul Green concerning Fairfield Ambulance Station Relocation, received out of session and authorised to be printed on 20 December 2016.
- (5) Response from the Hon. Niall Blair, MLC, the Minister for Primary Industries, and Minister for Lands and Water, to a petition presented by the Hon. Mick Veitch on 16 November 2016 concerning the Commercial Fishing Industry Adjustment Program, received out of session and authorised to be printed on 21 December 2016.

*Business of the House***POSTPONEMENT OF BUSINESS**

Mr JEREMY BUCKINGHAM: I move:

That Business of the House Notices of Motions Nos 1, 3 and 4 be postponed until 7 March 2017.

Motion agreed to.

The Hon. ROBERT BORSAK: I move:

That Committee Reports Order of the Day No. 5 be postponed until the next sitting day.

Motion agreed to.

*Committees***GENERAL PURPOSE STANDING COMMITTEE NO. 3****Chair**

DEPUTY PRESIDENT (The Hon. Trevor Khan): I inform the House that at a meeting held on 25 November 2016, the Hon. Michael Gallacher was elected chair of General Purpose Standing Committee No. 3.

GENERAL PURPOSE STANDING COMMITTEE NO. 2**Reference**

The Hon. GREG DONNELLY: As Chair: I inform the House that on 7 December 2016 General Purpose Standing Committee No. 2 resolved to adopt the following terms of reference:

That General Purpose Standing Committee No. 2 inquire into and report on matters relating to tolling regimes for roads in New South Wales including:

- (a) a review of the tolling regimes in place on different roads and an explanation for the differences between each;
- (b) the process for determining how tolls are set for all types of vehicles, the length of tolling concession periods, the rationale for extending these concession periods and opportunities to increase transparency for the public, particularly given the absence in some instances of any competitive process;
- (c) how tolling contracts are negotiated and varied and opportunities to increase public scrutiny and accountability of the negotiations that take place between private tolling companies and the NSW Government;
- (d) the rationale for allowing higher than CPI increases on certain tolls;
- (e) the extent of any consultation undertaken with the trucking industry before changes are made to tolling regimes;
- (f) the appropriateness of involving the Independent Pricing and Regulatory Tribunal [IPART] in the determination of tolls and their escalation, given the involvement of IPART and other such independent regulators in setting public transport fares and other services such as electricity transmission and distribution charges;
- (g) opportunities to increase the assurance to the public that tolling arrangements represent the fairest possible outcome;
- (h) an examination of road tolling arrangements in overseas jurisdictions; and
- (i) any other related matter.

*Disallowance***PETROLEUM (ONSHORE) REGULATION 2016**

Mr JEREMY BUCKINGHAM (15:52): I move:

That the matter proceed forthwith.

Motion agreed to.

Mr JEREMY BUCKINGHAM: I move:

That under section 41 of the Interpretation Act 1987, this House disallows division 2 of part 8 of the Petroleum (Onshore) Regulation 2016, published on the NSW Legislation website on 12 August 2016.

I am sure honourable members would have read that regulation in detail, as I have. They would have been alarmed to see the detail of that regulation. Today is an important time to debate this regulation because it relates to the Government's failed gas plan, the environmental impact statement that Santos has submitted with respect to the Narrabri gas project and the community benefit fund that Santos and other major resource companies rely upon. In my opinion, and in the opinion of The Greens members and a lot of people in the community, companies rely upon those funds as public relations funds in order to ingratiate themselves with communities across New South Wales.

The disallowance of this regulation stops that in its tracks. This regulation basically lets gas companies try to buy off communities with taxpayer money. It offsets royalties. We have seen, again and again, companies using that money for public relations exercises. The rebate of royalties—\$1 for every \$2 the resource company puts into a community benefit fund up to a maximum of 10 per cent of royalties paid each year—is a rort. The community will not be bought off. The community knows how toxic coal seam gas is, and communities across New South Wales are not conned or bought off by the mirrors-and-beads exercises of companies like Santos.

It is worse than that; it is a pea-and-shell trick. When members look into the detail of this regulation—honourable members will no doubt pour over the 7,000-page environmental impact statement of Santos for the Pilliga-Narrabri gas project—they will discover that Santos is able to spend the money in that community benefit fund on the cost and maintenance of the renewal of public infrastructure. The companies can renew public

infrastructure that they have destroyed. Companies are able to use royalty money—taxpayers' money—that should be going into consolidated revenue, to fix the roads and other infrastructure that they have destroyed. It is called a community benefit fund, but it is an absolute joke; it is a ruse.

Previously Santos used that money to fund the Blue Boars. There is a playbook that these resources companies use. They go into a community and find the mayor's son and give him a job. Then they sponsor the football team. They build a shed for the local Rural Fire Service [RFS] and tell everyone, "You can have a nuclear power plant; it's going to be great." Santos has done exactly the same sort of thing in Narrabri. The company went into the community and employed the mayor's son.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Order! I remind all Government members that this debate should proceed without interruption. If it is not, Government members will be called to order.

Mr JEREMY BUCKINGHAM: The company will employ the mayor's son or daughter, build the RFS shed and put a big sign up. Then they put their logo all over a proud football team like the Blue Boars at Narrabri. Such companies try to buy communities. Well, that community will not be conned. The companies go further. They use the community benefit fund to fix up the mess that they are making at the taxpayers' expense. If members had any sense they would support this disallowance. They would make sure that the community benefit fund is exactly that; not a fund for public relations and spin from a toxic company like Santos that has no future in New South Wales. I commend the disallowance to the House.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:58): What an extraordinary performance from Mr Jeremy Buckingham. More importantly, what a real test this will be for the Opposition in terms of those members' commitment to country communities. On behalf of the Government, I oppose this disallowance motion. The motion proposes to disallow division 2 of part 8 of the Petroleum (Onshore) Regulation 2016. The motion effectively removes the framework that establishes the community benefits fund. This would be a backward step for communities in regional New South Wales.

Gas is a vital energy source for many New South Wales households and businesses. More than 1.3 million families and nearly 35,000 small businesses rely on gas for heating or cooking, and around 500 large industrial users rely on a secure gas supply. New South Wales imports approximately 95 per cent of its gas requirements from other States. Improving gas security for New South Wales will go a long way to reducing the risk of gas supply shortfalls in the future and moderating upward pressure on prices for consumers. A thriving gas industry also has the potential to provide economic benefits, including new sources for jobs and investment in rural and regional communities of New South Wales.

The PRESIDENT: Order! According to sessional order, proceedings are now interrupted for questions.

Questions Without Notice

SHENHUA WATERMARK PROJECT

The Hon. ADAM SEARLE (16:00): My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. Given that Shenhua's Watermark mine exploration licence—issued in 2008 and renewed in 2012—provides that if substantial development of a mine does not occur within eight years of the granting of the original exploration licence, the Minister has the power to cancel the licence, what is your response to Shenhua's application to your Government for an exemption from the compliance date, which was 22 October last year?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:00): On 11 August 2016 the New South Wales Government announced that negotiations with Shenhua Watermark Coal Pty Ltd had commenced to secure the excising of the parts of its title that encroached on the strategic agricultural land of the Liverpool plains. The Shenhua Watermark project was approved by the Planning Assessment Commission on 28 January 2015. The project also required approval under the Commonwealth Environment Protection and Biodiversity Conservation Act 1999.

The then Commonwealth Minister for the Environment, Greg Hunt, announced conditional approval on 8 July 2015, seeking the advice of the expert scientific committee prior to approving the water management plan. The plan, along with 24 other management plans, must also be submitted and approved by the Minister before construction could commence. As of January 2017, Shenhua has completed some, but not all, of the 24 plans required in order to commence construction. Further questions in that respect, as I am sure the member would appreciate, are largely matters that should be directed to the Federal Government.

I might also add that on 19 February 2016 the Land and Environment Court dismissed the New South Wales Environmental Defender's Office challenge against the Watermark project, which argued the project was

too great a threat to local koala populations. A mining lease application has not yet been lodged over the area; however, when it is, it will be rigorously assessed in line with the legislation and current government policies, guidelines and procedures. The company submitted an application for renewal of its exploration licence, EL7223, on 5 February 2016. This will be assessed by my department before a recommendation is made to me to consider in due course in accordance with normal protocols.

ENERGY SECURITY

The Hon. SHAYNE MALLARD (16:03): Mr President, I also congratulate you on your election. My question is addressed to the Minister for Energy and Utilities. What is the New South Wales Government doing to plan for the reliability of energy supplies in the future?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:03): New South Wales had one of its hottest days and the second highest demand, at 13,986 megawatts, on Friday 10 February 2017. I am pleased to say that New South Wales, unlike South Australia, did not have any forced residential outages. The New South Wales Government was on the front foot. I was working with the chief executive officer of TransGrid at its offices as the peak approached. I called for moderation and people and businesses responded. I also directed the Government to pitch in. Government use was moderated and Sydney Water brought forward its pumping. Preliminary estimates suggest that voluntary demand reduction totalled 300 megawatts—this was a huge effort. I am pleased to say that this afternoon I announced the terms of reference and establishment for the Energy Security Taskforce. The Energy Security Taskforce that I am establishing will be headed by Mary O'Kane, the Chief Scientist, who also sits on the Finkel review. The task force is not intended to replace—

The Hon. Walt Secord: Point of order: This is clearly a ministerial statement and I think the Opposition should have equal time to reply. This is clearly a ministerial statement and has no relation to the question that was asked by the backbencher.

The PRESIDENT: Order! There is no point of order. The Minister has the call.

The Hon. DON HARWIN: It is not a ministerial statement.

The Hon. Walt Secord: Point of order: A ministerial statement is an announcement of government policy. He said very clearly in his answer, "I am announcing".

The Hon. Niall Blair: He said "earlier today"—you heard it.

The Hon. Catherine Cusack: To the point of order: First, the member, by way of interjection, is traversing the ruling that you have just made and, secondly, a ministerial statement relates to an announcement of policy, and the Minister is clearly advising the House of a taskforce that he has put in place.

The Hon. Niall Blair: To the point of order: The Minister in his response clearly was referring to an announcement that he made earlier in the day. He is now updating the House about that announcement. He is not making a new announcement.

The PRESIDENT: Order! It is not my intention to call members to order for the first, second or third time within the first 10 minutes of my sitting in question time. The Minister has the call and will be heard in silence.

The Hon. Niall Blair: Mr President, the Hon. Don Harwin is merely informing and updating the House about an announcement that he made earlier in the day.

The PRESIDENT: As I indicated when the first point of order was taken, there was no point of order for that reason. The Minister was being generally relevant to a question that was asked of him. As for what the Hon. Catherine Cusack raised, I took the Hon. Walt Secord's second point of order as a different point of order; I did not take it as flouting my earlier ruling. However, if the same matter is raised I would seriously consider it flouting an earlier ruling. The Minister has the call.

The Hon. DON HARWIN: In fact I made the announcement on Friday, 10 February, so it is not in any case an announcement of government policy today. The honourable member was quite mistaken about that. What I said was that I was going to update the terms of reference.

The Hon. Shaoquett Moselmane: Point of order: The Minister has heard your ruling and he is speaking further on a decision that was already made. You have already given your ruling on this matter.

The PRESIDENT: I still consider, as the Minister has only just again started his answer, that he was being generally relevant, but I am sure that the Minister will now continue to answer the question that was asked of him.

The Hon. DON HARWIN: I was updating the House on the terms of reference and the taskforce that is being led by the Chief Scientist and Engineer, Mary O'Kane. She will be engaging with experts in the sector and the community on how we can better manage energy security in times of extreme weather events. The taskforce is going to assess matters such as our readiness, planning, preparation and response capability. It will look at other strategic opportunities to address vulnerabilities and encourage managers to improve security.

As Minister I will continue to put the case for energy reform through the Council of Australian Governments [COAG] and the Finkel review to maintain our energy security, but the taskforce will play a crucial role in terms of ensuring that some of the system reliability challenges that we faced at a time when there was extremely hot weather in New South Wales are addressed by everyone involved in the energy generation sector in New South Wales.

MOUNT DRUITT HOSPITAL

The Hon. WALT SECORD (16:10): My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. Given that the Western Sydney Local Health District confirmed in an official statement that Mount Druitt Hospital had "experienced a disruption to its power supply" on 11 February between 4.15 p.m. and 6.45 p.m., when temperatures reached 47 degrees, what is the result of the Government's investigation into that incident? Is the Minister satisfied that all necessary steps were taken by the Government, and will he make the results of that investigation public?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:11): I am quite satisfied that the investigation will be thorough. I am looking forward to receiving its findings, and will make appropriate comments after I have read that report and decided what recommendations will be made going forward.

LOCAL LAND SERVICES

The Hon. RICK COLLESS (16:11): My question is addressed to the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry. Will the Minister update the House on how Local Land Services are supporting land managers affected by the bushfires across the State?

The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:11): On Thursday 9 February New South Wales experienced heatwave conditions which culminated in large parts of the State being impacted by severe, extreme and catastrophic fire warning classifications on Saturday 11 and Sunday 12 February. Severe bushfires hit the Central West and Central Tablelands area including Leadville, Warrumbungle and Uarabry, the North Coast at Lower Pappinbarra, Dondingalong, Berrico and Terreel as well as the northwest of the State at Boggabri. Only a few days ago another severe fire impacted the Carwoola area just outside Queanbeyan.

As the lead support agency providing animal welfare and emergency services, Local Land Services [LLS] has been working in partnership with government agencies, volunteer groups, local businesses and communities in response to these bushfire emergencies. I am able to update the House on the current status of the assistance LLS is providing to land managers across those areas. Warrumbungle and Midwestern Regional Council local government areas have been declared natural disaster areas, and I understand the Queanbeyan-Palerang local government area has today been added to the list of areas eligible for disaster assistance. In the Central West and Central Tablelands region the most serious of the fires has been the outbreak at Leadville and the Sir Ivan fire, where more than 55,000 hectares have been burnt. Kains Flat has over 7,000 hectares burnt, Crudine Road has over 300 hectares burnt and Sodwalls has over 100 hectares burnt.

A local control centre has been established in Mudgee, with forward command posts located at Dunedoo and Merriwa. The primary role of LLS staff on the ground has been animal welfare assessment, destruction and disposal. All properties affected by the Central West and Central Tablelands fires have been either contacted or aerially assessed as of 20 February. Aerial surveillance continues in other affected locations to identify any animals at risk, with 31 burial sites established and recorded. Capacity to assist with temporary housing of displaced companion animals has been established at Coolah. Offers to donate fodder are being directed to local community coordinators in Dunedoo, Coolah and Cassilis. Other donations are being directed to the Country Women's Association and other relevant non-government organisations.

Transport companies have offered their services, and people in nearby districts are willing to coordinate feed. A group of landholders in Trangie donated 24 truckloads of hay over the weekend, which is a fantastic response, and numerous offers from other areas are on their way. Others are donating fencing, chickpeas, fava beans, wheat and barley. Responding to these fires has demonstrated the strong interregional relationship LLS has with government agencies such as the Department of Primary Industries [DPI] and emergency services in order to provide a fast and coordinated approach on the ground. The response has also shown that LLS staff are

responding from across regional borders to resource the task at hand and travelling long distances to provide their expertise in times of need. I thank everyone involved in the emergency response across the State.

We all admire the kindness and generosity as well as the efforts and the ability to manage such tragedies during heatwave conditions. I have had anecdotal evidence of farmers not being able to confront some of the animal welfare issues on their farms. Local Land Service staff, particularly vets, have been turning up with farmers not even being aware that that service was available. The scenes that some staff have been confronted with would be very challenging for anyone. They have conducted efforts to control animal welfare issues in a professional manner. They have put animal welfare at the forefront while taking the needs of landholders into consideration. This is a testament to the quality of staff involved.

SHARK NETS

Mr JUSTIN FIELD (16:16): My question is directed to the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry. What action has the Minister taken to confirm or investigate reports of potential sabotage of shark nets, as reported in the media last month? If no action has been taken, will the Minister apologise for making a suggestion in the media that community members genuinely concerned about the impact of shark nets on marine life had sabotaged nets and were "mindless eco-vandals", when in fact the Minister's department was in possession of reports that shark net contractors had been making inaccurate and potentially misleading reports?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:16): It is quite interesting that the member has taken a series of events over many, many years—some quite historical—and tried to join a whole lot of dots and attribute those dots to a quote I made about this issue last year. He has tried to bundle all this together as if it is one and the same thing. I might step through some of the issues about shark nets.

The Hon. Walt Secord: Take us through it.

The Hon. NIALL BLAIR: I am really glad that the Hon. Walt Secord is interested in a question on shark nets. It was interesting to see him inject himself into this topic over the summer break. I took the reason for his interest in an area covered by one of his colleagues as being because that colleague was on holidays. It is obvious whenever a member of the Labor Party is on holidays because when an issue in that portfolio pops up, the Hon. Walt Secord will not miss an opportunity to jump in and find the media spotlight. I welcome his contributions to this area of interest as we continue to talk about what New South Wales is doing about our shark program. Mr Justin Field asked about contractors supposedly not checking on shark nets. That happened many years ago, and this fact was uncovered by the Opposition spokesperson. The department discovered that two contractors did not comply with the conditions of the contract at that time, and the department took the appropriate action against those two contractors. It has made sure that there are GPS trackers on all of the boats tasked with checking our shark nets.

For Mr Justin Field to suggest that an incident that happened years ago—an incident that the department identified and addressed and because of which the department instituted appropriate control measures to ensure no similar incident would happen again—is somehow linked to the meshing trial on the North Coast is concerning. As the member knows, we have gone to great lengths to make sure that we have the utmost of compliance in the trial on the North Coast. We are making sure that we are checking those nets twice a day where possible. We said that we would do everything we could to make sure that the trial was a success and that we could limit the impacts of the trial on marine life. As for my comments, I stand by the fact that anyone who tampers with the nets or any of the technologies in the water is not only breaking the law but is putting themselves and others at risk. It is my job as Minister to condemn anyone who is taking the law into their own hands—*[Time expired.]*

The PRESIDENT: For the benefit of members, I indicate that we missed the opportunity for a crossbench question to be asked although it was next in turn, and I call for one now.

SAFE SCHOOLS PROGRAM

Reverend the Hon. FRED NILE (16:21): My question without notice is to directed to the Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education, representing the Minister for Education, Mr Robert Stokes. In view of the new successful Higher School Certificate reforms, will the Minister respond to the thousands of petitioners who have requested the removal of the Safe Schools program from primary and secondary schools and immediately replace the Safe Schools program with a recognised, genuine anti-bullying program?

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (16:21): I thank the honourable member for his question. In

relation to the Safe Schools program, I am advised that the Safe Schools resources have been developed by the Safe Schools Coalition Australia, a non-government organisation funded by the Australian Government's Department of Education and Training. The New South Wales Government and the NSW Department of Education provide no funding for the use of Safe Schools Coalition Australia resources. The Safe Schools resources are optional resources that can be used by any Australian school in addressing student diversity. Safe Schools is not imposed on any school and does not form part of the New South Wales school curriculum.

Advice from the New South Wales public school principals as at 9 September last year is that 21 of the 120 registered schools report their school is using the Safe Schools resources with students in class in small groups or individually. In this small number of schools, principals have advised that Safe Schools resources are primarily used to support professional learning for staff to assist in meeting their legal obligations to support same-sex-attracted or gender-questioning students. The New South Wales Government is strongly committed to providing safe, inclusive and productive learning environments for all students within its Australian and State-based legislative context. New South Wales public schools have legal obligations to protect and support all students, including those who are same-sex attracted or gender questioning.

The resources are not being used in any New South Wales public primary school classrooms. Primary schools can only access Safe Schools program support, resources and training if required for individualised support and one-on-one counselling. The program is one of many social inclusion programs available to schools to help reduce homophobic bullying because of the higher rates of discrimination, self-harm and suicide for this group of children and young people. Teachers in schools using any Safe Schools resources review each resource to ensure that it is age appropriate for the relevant student and/or year group. New South Wales public schools are required to consult with parents prior to using Safe Schools resources with students. Parents are able to decline their child's participation in any lesson that includes Safe Schools resources.

The House will be aware of the Australian Government-initiated review of the appropriateness and efficacy of the resources generated by the Safe Schools Coalition Australia, which was conducted by Professor Bill Louden, Emeritus Professor of Education at the University of Western Australia. In response to the review, the Australian Government initiated actions related to reviewing all materials to ensure the age appropriateness of the program's resources, participating schools needing to consult with parents before implementing the program and housing the official resources of the Safe Schools Coalition Australia on the Australian Government's official website, the Student Wellbeing Hub. Principals of participating New South Wales public schools have confirmed that they have implemented the Australian Government changes.

In keeping with the New South Wales Government reform Local Schools, Local Decisions, each New South Wales public school principal is best placed to make decisions about which programs and resources support the learning and wellbeing needs of their students, including students who identify as same-sex attracted. The New South Wales Government is strongly committed to providing safe, inclusive and productive learning environments for all students. That is why the Department of Education developed a wellbeing framework for schools. Public schools in New South Wales are required to have a planned approach to support the wellbeing of all students. A broad approach to wellbeing supports schools to implement evidence-based strategies that are strengths based, preventative, protective and focused on early intervention. The framework is complemented by the \$167.2 million Supported Students, Successful Students initiative. This initiative provides a competency package of additional support for New South Wales public schools across New South Wales over four years, enhancing the wellbeing services already provided to schools.

AIR CONDITIONING SETTINGS

The Hon. PENNY SHARPE (16:25): My question is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. Given that on 10 February the Minister told New South Wales families and the elderly to set their air conditioners to 26 degrees Celsius, will the Minister confirm that all ministerial offices adhered to this advice?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:26): It was certainly very hot in my office, I can assure the member. I was absolutely delighted at the response across the State to this issue on 10 February. Electricity demand was met through a mix of generation sources and demand management by both members of the public and by New South Wales Government agencies. I have to confess that I have not actually checked what the thermostat was in 52 Martin Place, so I cannot answer the honourable member's question, but I will make inquiries.

ABORIGINAL LANGUAGE AND CULTURE NESTS

The Hon. BEN FRANKLIN (16:27): My question is addressed is to the Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education. What has been the impact of the

Aboriginal Language and Culture Nests set up through the New South Wales Government initiative Opportunity, Choice, Healing, Responsibility, Empowerment?

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (16:27): I thank the Parliamentary Secretary for Renewable Energy and Northern NSW for his question and acknowledge his keen interest in matters related to the Aboriginal Affairs portfolio. The plan of the New South Wales Government for Aboriginal Affairs in Opportunity, Choice, Healing, Responsibility, Empowerment [OCHRE] recognises the importance of languages to Aboriginal culture, identity and social wellbeing, and to the cultural heritage of New South Wales. Learning an Aboriginal language strengthens the identity and pride of Aboriginal students —and the stronger a student's cultural identity, the better able they are to engage in learning. Learning an Aboriginal language also provides non-Aboriginal students with the opportunity to extend their knowledge of Aboriginal languages and cultures, and enhance their appreciation of the richness of Aboriginal cultures and spirituality.

From 2014 the New South Wales Liberals and Nationals committed \$4.4 million under OCHRE for five Aboriginal Language and Culture Nests to be established in regional New South Wales. The Aboriginal Language and Culture Nests help to create learning pathways for Aboriginal students, teachers and community members. They also ensure that Aboriginal languages, as part of the cultural heritage of New South Wales, are revitalised, taught and spoken. The five nests by location and language are Dubbo, the North-West Wiradjuri Language and Culture Nest, and engaging the North-West Wiradjuri people in and around the communities of Gilgandra, Wellington, Peak Hill, Trangie, Narromine and Mudgee. The base school for the teacher Aboriginal Language and Culture Nest is Dubbo Public School, and more than 2,000 students are learning Wiradjuri across 17 schools or college campuses within the nest.

In Coffs Harbour the Gumbaynggirr Language and Culture Nest engages the communities in and around Bellingen, Boambee, Coffs Harbour, Corindi Beach, Dorrigo, Ebor, Korora, Mullaway, Nambucca Heads, Sawtell, South Grafton, Toormina, Upper Orara, Urunga, Woolgoolga and Wooli. The base school for the language and culture nest is William Bayldon Public School. There are 23 Aboriginal language teachers across 32 college campuses currently instructing 2,363 students. In Lismore the Bundjalung Language and Culture Nest engages the Bundjalung communities in and around Lismore, Kyogle, Tweed Heads, Ballina, Evans Head, Woodenbong, Grafton, Tabulam, Coraki, and Casino. The base school for the language and culture nest is Goonellebah Public School and Bundjalung is taught in seven schools with close to 500 students being taught Bundjalung.

In Wilcannia the Paakantji Language and Culture Nest engages the communities in and around Bourke, Broken Hill, Commealla, Dareton-Wentworth, Menindee and Wilcannia. There are four Aboriginal language tutors teaching 164 students across five schools. Finally, out in Lightning Ridge the Gamilaraay Language and Culture Nest engages communities in and around Lightning Ridge, Walgett, Goodooga and Collarenebri. The base school for the language and culture nest is Lightning Ridge Central School. There are five Aboriginal language teachers instructing 213 students across four schools. Last week I visited the first of the five nests, which, as I mentioned earlier, is in Dubbo: the North-West Wiradjuri Language and Culture Nest. It was a great opportunity for me to be hosted by the teachers and elders there. I particularly acknowledge Auntie Di, who took the time to show me around; the other elders and the teachers.

The most important thing, or the most impressive thing for me that came out of that visit, is how it became very clear that the work that is done in these language and culture nests is about so much more than just words: It is about establishing a connection to culture, to identity and to kinship. There are also programs to encourage learning music, singing and bush medicine. So these are wonderful facilities that we have right across the State. The number of students in the five Aboriginal Language and Culture Nests learning an Aboriginal language has increased significantly, from approximately 3,500 students in June 2015 to approximately 5,300 students as at November 2016. So it is obvious that these culture nests play an important role in ensuring that Aboriginal languages remain functional and alive and are positioned as a critical aspect of the cultural heritage of New South Wales. [*Time expired.*]

ANIMAL WELFARE

The Hon. MARK PEARSON (16:31): My question is directed to the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry. Given that the New South Wales Government recognises that climate change means that farmers will need to adjust to prolonged periods of high temperatures during the summer months, what steps is the Minister's department taking to ensure that the recent prolonged suffering and death from heat stress of 40 dairy cattle at Shoalhaven does not become a regular occurrence in our paddocks and cattle and sheep feedlots, in particular where this occurred due to the failure to provide adequate shelter?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:32): I thank the Hon. Mark Pearson for his question. I am sure that he had a good holiday, like the rest of us. He had plenty of time to fly his drone, no doubt. I hope he is well rested. I hear that he has not yet finished. I thank him for his question. I know that issues in relation to how stock handle extremes of temperature, including heat stress, is something that is managed by a lot of private businesses in our primary industries. In relation to the dairy that the Hon. Mark Pearson spoke about, I will take the question on notice and come back to him with a detailed answer. Given the nature of the question and given the timelines he spoke about, I am sure that there will be ongoing investigation. It would not be helpful for me to make comments while an investigation is being undertaken so I will take the question on notice and come back to him.

Mr Jeremy Buckingham: Point of order: The question from the Hon. Mark Pearson clearly mentioned climate change, which is a very serious issue and an issue of interest to people across New South Wales as well as honourable members. So far the Minister has not mentioned climate change in his answer. It is pertinent. It is central to this issue, and I would ask that the President direct the Minister to be relevant to the question that was asked.

The PRESIDENT: Order! Mr Jeremy Buckingham will resume his seat. That is not a point of order by any stretch of the imagination. Mr Jeremy Buckingham should not use points of order as an opportunity to make debating points. The Minister was being generally relevant, and he will be heard in silence.

The Hon. NIALL BLAIR: Before I take this question on notice and come back to the Hon. Mark Pearson I just make the observation that any person who would use the death of stock like this as some sort of political stunt in this Chamber, as Mr Jeremy Buckingham has just done, is an absolute disgrace. The Hon. Mark Pearson asked about—

Mr Jeremy Buckingham: You're a disgrace, mate. People are going to the wall and you won't even say the words "climate change". You're a fool.

The PRESIDENT: Order! I remind Mr Jeremy Buckingham that it was not my intention to call members to order in this first question time. I ask that he allow the Minister to finish his answer in silence. The Minister has the call.

The Hon. NIALL BLAIR: We all know that the Hon. Mark Pearson is passionate when it comes to animal welfare. He has asked a genuine question. I was showing the member's question the respect that it deserved, and I was going through it and answering the substantive part of the question. The stunt that Mr Buckingham has just pulled is something that every member of this House should stand up and condemn him for.

Mr Jeremy Buckingham: You pulled the stunt, mate.

The Hon. NIALL BLAIR: To use the death of stock and the loss of livelihood of a primary producer for a political stunt on climate change is nothing but a disgrace. If the rest of his colleagues had the respect to come to question time and to actually sit through this then I am sure they would be absolutely disgusted as well. He is a disgrace—using an unrelated topic to make a point like this.

Mr Jeremy Buckingham: They are disgusted by you, mate. Thousands of farmers are going to the wall. The Minister is an absolute dinosaur and a fool.

The PRESIDENT: Order! I will not tolerate Government Ministers, Government members, Opposition members or crossbench members yelling at each other across the table. It is clearly disorderly. It is not something that I will accept. I ask that the Minister direct his answer through the Chair. Does the Minister have anything further to add?

The Hon. NIALL BLAIR: Getting back to the substantive part of the question, I thank the Hon. Mark Pearson for his question. I will take it on notice and come back to him with as much information as possible in due course.

POWERHOUSE MUSEUM

The Hon. LYNDIA VOLTZ (16:36): My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. Is this Government preparing to backflip on its promise to move the Powerhouse Museum to Parramatta?

The PRESIDENT: Order! I ask Government members to allow the Minister to answer the question in silence. They are not helping their Minister.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:37): What an extraordinary question from the Australian Labor Party! It had 16 years in Government and at no stage—

Mr Jeremy Buckingham: Point of order: The Minister is clearly debating the question. He should know better and he should get to the substance of the answer rather than taking debating points and debating the question.

The PRESIDENT: Order! There is no point of order.

The Hon. DON HARWIN: The question, of course, was about the Government's commitment to Western Sydney, and arts and culture. I am simply inviting a comparison with the party that had 16 years in Government—

The Hon. Lynda Voltz: Point of order: My point of order is on relevance. The question was specifically: Is this Government preparing to backflip on its promise to move the Powerhouse Museum to Parramatta? I would ask the President to bring the Minister back to the question before him.

The PRESIDENT: Order! I ask the Hon. Lynda Voltz to show me the question, and the Minister will await my ruling. I rule that the Minister was being generally relevant. The Minister has the call.

The Hon. DON HARWIN: As I was saying, the previous Government had the opportunity to deliver a major arts and cultural precinct in Western Sydney for 16 years, and it did not. Members opposite wonder why there are no Labor members in electorates such as Penrith, Mulgoa, Seven Hills, Parramatta or Holsworthy. It is because the people of Western Sydney have seen through the Opposition. The New South Wales Government will deliver on a once-in-a-generation opportunity to build a new museum for the future in Western Sydney, which will provide a vibrant new cultural destination for the whole of New South Wales. The Government's decision to relocate the Powerhouse Museum to Parramatta is being informed by a business case that is being developed that will closely examine viable options for the proposed site. Further announcements regarding this will be made once the final business case for the site has been received and looked at by me and considered by Cabinet. Then an appropriate announcement will be made.

ENERGY PRICES

The Hon. SCOTT FARLOW (16:40): My question is addressed to the Minister for Energy and Utilities. Can the Minister update the House on energy prices in New South Wales?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:40): I can indeed. At the 2015 election the New South Wales Coalition did what many people thought was impossible: It went to the election promising reform and it engaged in a dialogue with the community about that reform. It was informed by the Ernst and Young report, which said that under public ownership network prices had risen by 122 per cent in New South Wales and by 140 per cent in Queensland, and that in privately owned Victoria and South Australia they had fallen in real terms.

At the same time, at the Opposition's campaign launch the Leader of the Opposition, Mr Foley, asked, "Would prices go up?" And he, of course, predicted that they would. I am glad to inform the House that, following the election, our reforms are starting to bear fruit. TransGrid has put in its proposal to the Australian Energy Regulator for electricity transmission prices for the period from 2018 to 2023. I am delighted to inform the House that TransGrid has proposed a 2½ per cent reduction in average transmission prices. If accepted, this means a fall in the transmission component—

The Hon. Walt Secord: You've never had it so good.

The Hon. DON HARWIN: I know you don't like to hear good news like this, but you have been shown out. Your leader has been shown out. He was wrong.

The PRESIDENT: Order! The Minister will direct his answer through the Chair and not to the Hon. Walt Secord.

The Hon. DON HARWIN: Indeed, a very wise ruling—I am beginning to understand why so many of my predecessors have been tempted in the past. If accepted, this means a fall in the transmission component of household electricity bills. At the same time, TransGrid is committed to investing \$1.6 billion in capital to maintain the reliability of our electricity network. That includes upgrading the transmission systems of the Sydney central business district [CBD], which supplies electricity to more than 500,000 customers including homes, businesses, our CBD, airport and port. This is a boost for energy security. It follows an average annual 7 per cent reduction in TransGrid's transmission prices across the previous four years. I am glad to inform the House that since 2011 electricity prices have slowed 40 per cent at 6.2 per cent per annum from the 10.4 per cent per annum under the final years of the previous Labor Government.

We put in place an electricity price guarantee in law so that network prices would be lower in 2019 than they were in 2015. At the same time we gained more than \$10 billion in gross proceeds from the 99-year lease of TransGrid to turbocharge infrastructure. This all shows the value of the private sector's involvement in the energy market. The price reduction being proposed by TransGrid can be achieved without impacting reliability in a rapidly changing environment of new and emerging technologies.

ABORIGINAL INCARCERATION RATES

Mr DAVID SHOEBRIDGE (16:44): My question without notice is directed to the Minister for Aboriginal Affairs, the Hon. Sarah Mitchell—and, first of all, congratulations, Minister. Given the extraordinarily high level of Aboriginal incarceration in New South Wales and the rest of Australia, and its impact on the health and wellbeing of Aboriginal people and their communities, does the Minister support Aboriginal incarceration rates and other key criminal justice indicators being included as part of the Closing the Gap analysis for the New South Wales and Commonwealth governments?

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (16:44): I thank the honourable member for his question. I also acknowledge his genuine interest in these issues. In terms of the high rates of Aboriginal incarceration in New South Wales prisons, yes, as the Minister for Aboriginal Affairs they do concern me. The rates are too high. Obviously these matters are primarily the responsibility of the Attorney General and the Minister for Corrections. However, I will make a couple of points, if I may, as the Minister for Aboriginal Affairs. As I said, the rates are too high. Aboriginal people make up 2.9 per cent of the population in New South Wales. However, they make up 24 per cent of the prison population. That is something that should be of concern not only to me as the Minister or to Mr Shoebridge but to all of us in this House and at all levels of government. Those figures are alarming and shocking. It is very clear to me as the Minister that more work must be done.

There has been recent media coverage that I am sure the member is aware of that has focused attention on Aboriginal incarceration at a national level, which, along with campaigns by community, legal and social justices groups, was the catalyst for the Australian Law Reform Commission's inquiry into Indigenous incarceration. On 27 October last year the Commonwealth Attorney-General announced the Australian Law Reform Commission inquiry into Indigenous incarceration. The inquiry will review the laws that contribute to offending and incarceration rates, and examine justice institutions. The New South Wales Government is assisting the inquiry. Any recommendations made by the commission will be closely considered by the New South Wales Government.

Another area I would like to touch on in my answer to the member's question is the fact that it has been 25 years since the Royal Commission into Aboriginal Deaths in Custody, which found that Aboriginal people were overrepresented within the prison and youth justice systems. The rates of Aboriginal incarceration remain too high. There are alternative approaches that we are working on within New South Wales that I know the member would be familiar with such as the Justice Reinvestment program, which redirects funding otherwise spent on incarceration to diversionary programs.

The Government has supported the investigation of Justice Reinvestment, but further evidence of its effectiveness is required before fully committing to its implementation. But as the previous Parliamentary Secretary for Western New South Wales I heard some very good anecdotal evidence in relation to how the Justice Reinvestment project in Bourke was working. I also know that the Parliamentary Friends of Reconciliation had speakers from that organisation address a meeting of that group, of which I am also a member. As I said, as the Minister for Aboriginal Affairs it is my role to be an advocate for Aboriginal people throughout New South Wales. I do not have direct responsibility for these issues. As the member would appreciate, that falls into the purview of the Attorney General and the Minister for Corrections, but I am very committed to doing all we can in this space and genuinely engaging with the member on that issue.

Mr DAVID SHOEBRIDGE (16:47): I ask a supplementary question. I appreciate that detailed response and I note that the Minister does not have strict ministerial responsibility for incarceration rates, but will she commit to ongoing meetings and advocacy with the Attorney General and the Minister for Corrections, given the fact that there has been a 25 per cent increase in the number of Aboriginal people in jail in the course of the Coalition Government's term?

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (16:48): I intend to speak regularly with my Cabinet colleagues about all matters related to Aboriginal Affairs. That is my job as the Minister. Clearly there is a range of initiatives in Closing the Gap. We need to look at incarceration rates. As the Minister for Aboriginal Affairs I will be an advocate for Aboriginal people, because that is my job.

RENEWABLE ENERGY

The Hon. JOHN GRAHAM (16:48): My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. Given that his Government has a 23.5 per cent New South Wales renewable energy target by 2020 and the share of energy derived from renewable energy sources fell from 12.9 per cent in 2013 to 10.8 per cent in 2014 and around 8 per cent in 2015, what is the 2016 figure?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:49): I take issue with some of the Hon. John Graham's figures about the share of renewables—

The Hon. Walt Secord: Do not ask the Premier.

The Hon. DON HARWIN: The Hon. Walt Secord interjects and perhaps he should not because he is talking about renewable energy targets. The reality is that the Opposition have not been forthcoming about their target either. They are alluding to support their Federal colleagues' target and yet last week we saw the Federal Opposition wobbling all over the place. We do not know if they have a goal or an aspiration or a target. What is it? Why does the Opposition not tell us?

The PRESIDENT: Order! Members will come to order.

The Hon. Shaoquett Moselmane: Point of order: The former President and the Leader of the Government knows full well that it is disorderly to respond to interjections. I ask that the Minister be asked to follow the rules.

The PRESIDENT: I remind all members that interjections are disorderly at all times. Responding to interjections is also disorderly at all times. I ask members not to interject and I ask Ministers not to respond to those interjections.

The Hon. Lynda Voltz: Point of order: The Minister knows full well that he should direct his comments through the chair. He should not invite members on this side of the Chamber to interject. I ask that the Minister be asked to continue to direct his comments through the chair, otherwise he can suspend standing orders and we will debate climate change.

The Hon. Scott Farlow: To the point of order: The Minister was not inviting members from the other side to interject; he was not debating. The Minister was addressing comments in a general sense and he did not invite any other member to address the question.

The PRESIDENT: I have the gist of the point of order. I understand there were interjections from the Deputy Leader of the Opposition and the Minister was responding to those interjections. I have ruled that members will cease interjecting and Ministers will cease responding to interjections. The Minister has the call.

The Hon. DON HARWIN: In 2016, 14 per cent of our energy was sourced from renewables. I suspect that the figures quoted by the Hon. John Graham do not fully capture the power generated by the Snowy Hydro in New South Wales. The New South Wales Government is securing significant investment in renewable energy and delivering important jobs to our regions. We have the Renewable Energy Action Plan and we recently consulted on measures to attract additional investment through Government procurement and leadership. Currently 759 megawatts of generation projects are under construction and another 1,108 megawatts of projects could commence this year, which will create hundreds of jobs in our regions. We have already had some discussion today about the events of 10 February.

The Hon. Walt Secord: And the 11th.

The Hon. DON HARWIN: Indeed, and 11 February. Let us give credit where credit is due. Not only did the community respond magnificently to the requests that I made in respect of demand management but also more than 300 megawatts were also saved as a result—

The Hon. Adam Searle: Yes, most of it from Tomago.

The Hon. DON HARWIN: The Leader of the Opposition is quite wrong. That figure of 300 megawatts does not include any allowance for Tomago.

The PRESIDENT: I remind the Minister not to respond to interjections.

The Hon. DON HARWIN: On 10 February, at the point of the maximum spike in demand, which was in the afternoon peak time between 5.30 p.m. and 6.00 p.m., some 27 per cent of our energy was sourced from renewable sources. For example, the Snowy Hydro performed magnificently in respect of its contribution of pumped hydro, and some 350,000 people were feeding into the grid as a result of energy sourced from solar panels

on their roofs. The reality is that renewables are playing a part, and because of the goal set by New South Wales of zero net emissions by 2050, people have the confidence to invest in renewables in this State. The amount of renewables—[*Time expired.*]

The Hon. JOHN GRAHAM (16:56): I ask a supplementary question. I thank the Minister for his answer. The figures I quoted included, for example, 10.8 per cent in 2014, of which 3.3 per cent came from the Snowy Hydro. If the Minister has different figures, could he provide them to the House?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:56): I have provided them to the House in the answer that I just gave.

JOBS GROWTH

The Hon. GREG PEARCE (16:56): My question is to address to the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry. Will the Minister update the House on his industry portfolio area and on what the New South Wales Government is doing for the defence industry?

The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:56): I thank the member for his question. He has a great interest in this area. In recent years as Minister for Primary Industries, I have been impressed by the innovative drive of our agricultural sector. Our agribusinesses are truly world-class, including farms, processors and new agri-tech small and medium enterprises. Travelling our regions, I have also seen a much wider potential across all industries in New South Wales. Many of the capabilities critical to the success of this nation's future jobs and economic growth lie not only in Sydney but also around the State. That is why I was pleased to be sworn in as Minister for Trade and Industry last month, which, along with my other portfolios of Primary Industries and Regional Water, will increase the Government's focus on transforming regional economies.

New South Wales is a home to a wide range of industry sectors, from food to fintech, and advanced manufacturing to leadership in the digital economy. We have Australia's largest and best-performing economy, which contributed 32 per cent of gross domestic product in 2015-16. The New South Wales economy is in its twenty-fifth consecutive year of economic growth. The real gross State product of New South Wales grew by 3.5 per cent in 2015-16, which was stronger than any other State or Territory. We also proudly maintained a triple-A credit rating. Employment in New South Wales grew by 3.8 per cent in 2015-16, which accounted for more than half of the increase in jobs nationally.

I am also pleased to say that our regional centres had strong jobs growth, which contributed to more than half of the increase in jobs in New South Wales. All of this growth depends on a strong industrial base—an industry foundation that is flexible, innovative, adaptable and ready to take on the challenges of the twenty-first century. The role of the Government is to provide the right environment for industry to thrive. Through close engagement with industry and with our research sector, the Government collaborates to facilitate industry development and attract trade and investment. For example, only this morning I was delighted to launch a new strategy for the growth of our nation-leading defence industry.

The New South Wales Defence and Industry Strategy is the Government's plan for driving growth in our State's defence industry. The strategy will create opportunities for small and medium enterprises in New South Wales. It will ensure that we build defence industry capabilities in New South Wales in technology, research, manufacturing, infrastructure, innovation and research. It will include the establishment of Defence New South Wales—a dedicated team to support the growth of the defence industry sector in this State. Defence New South Wales will support companies based in New South Wales to access procurement and supply chain opportunities, both locally and for export. The strategy demonstrates our ongoing commitment to creating new high-tech jobs and to cementing New South Wales at the heart of the nation's defence sector.

Around our great State lie many of the capabilities critical to the Commonwealth's large national acquisition programs across land, sea and air—most notably our expertise in complex systems integration. We are committed to working with the Commonwealth Government and other States and Territories on a more national approach to Australia's defence needs. The Defence White Paper of the Australian Government outlines programs and acquisitions worth more than \$195 billion over the decade to 2026. It is vital that New South Wales continues to position itself to take advantage of these significant opportunities for growth, to create the jobs and the businesses of the future. I look forward to working with regional parliamentary secretaries and members from all sides of Parliament to drive the defence sector's growth. I thank all those who have contributed to the development of the strategy. This is a shot across the bows of the other States. New South Wales is a key player in the defence industry. We are here to make sure that we grow this sector. That is what the strategy will achieve.

The Hon. DON HARWIN: If any other members have questions, I suggest they put them on notice.

CLIMATE CHANGE

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (17:01): Earlier in question time the Hon. Mark Pearson asked me a question about the death of 40 dairy cattle in the Shoalhaven, and what the Government is doing to address climate change. I can update the House with the following information. Over the course of the days leading up to the heatwave, humidity levels in that region were extremely high—in many cases close to 100 per cent. As farmers are well aware, shade is a top priority for animals in these conditions, as is providing ample access to drinking water. Farmers also understand that the next step is to try and provide a place where the cows can cool down. Some dairies operate sprinklers or misting systems over their yards during milking, and this is another way to cool animals off, through evaporation. All farmers take the welfare of animals very seriously. When it comes to their animals events such as this are always distressing. I am happy to seek further information from the department and come back to the member as to the specifics.

AIR-CONDITIONING SETTINGS

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (17:02): Earlier in question time the Hon. Penny Sharpe asked whether the air-conditioning temperature in the ministerial offices at 52 Martin Place had been increased to 26 degrees. I am advised that the Manager of Facilities has confirmed that on 10 February, from 4.30 p.m., the temperature in 52 Martin Place was adjusted to 26 degrees—immediately following the press conference that I held at TransGrid.

MOUNT DRUITT HOSPITAL

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (17:03): Earlier in question time the Hon. Walt Secord asked me about an electricity outage at Mount Druitt Hospital. I have been very clear in my public statements that we avoided residential and commercial load shedding on 10 February. It certainly was the case that there was no load curtailment at Mount Druitt Hospital. Load shedding is where power to areas is switched off for a period to ensure system stability. I can inform the House that the report about what happened at Mount Druitt Hospital is at hand. I am advised by the department that the fault at Mount Druitt Hospital was an internal problem, and not a more general problem with the network at all.

Deferred Answers

TRANSLUCENT WATER FLOWS

In reply to **the Hon. ROBERT BROWN** (11 October 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—
The Minister provided the following response:

Translucent flows are planned environmental flow rules under the water sharing plan so there are no charges for the water released from storage.

If supplementary access is subsequently announced as a result of high flows in the river downstream, then irrigators who extract the water pay usage charges based on the actual volume of water they pump during the event—there are no fixed charges for supplementary water.

GREYHOUND RACING INDUSTRY BAN ADVERTISING CAMPAIGN

In reply to **the Hon. LYNDIA VOLTZ** (11 October 2016).

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council)—The Minister provided the following response:

I am advised that:

The Dogs Deserve Better advertising campaign complies with section 7 (2) of the Government Advertising Act 2011.

The peer review panel that reviewed and approved the Dogs Deserve Better advertising campaign included representatives from Destination NSW, Cancer Institute NSW and the Department of Premier and Cabinet.

The advertising campaign was also approved by the Cabinet Standing Sub-Committee on Communication and Government Advertising.

WATER VALUE STUDY

In reply to **the Hon. ROBERT BORSACK** (18 October 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—
The Minister provided the following response:

This project is being funded as part of the New South Wales Government's 2016-17 Data Analytics Centre work program. DPI Water is providing in-kind staff support.

The project seeks to characterise the inter-relationships between water, land use, climate, agriculture, fisheries, fauna, flora, biosecurity and socio-economic information and develop tools to assess the outcomes and consequences of various agribusiness, development and production scenarios prior to their implementation. The project aligns with DPI's business planning goal of increasing New South Wales agricultural productivity by 30 per cent by 2020.

A number of farmer and irrigator representative bodies are involved in the project, including NSW Farmers Association, NSW Irrigators Council, National Farmers Federation and various irrigator committees.

DAM INFLOWS AND RELEASES

In reply to **the Hon. ROBERT BROWN** (18 October 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—The Minister provided the following response:

The access rights and characteristics of environmental water entitlements are the same as all other entitlements of the same entitlement class. In the case of environmental water that was purchased from the consumptive pool, license characteristics are maintained from the point of purchase.

Therefore, in some cases spills from storages count as environmental water delivered, however this depends on the type of environmental water entitlement that is held and is not the case for all entitlement types.

WESTCONNEX PROPERTY ACQUISITION

In reply to **the Hon. ADAM SEARLE** (19 October 2016).

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council)—The Minister provided the following response:

On 18 October 2016 the results of the Customer Service Commissioner's NSW Housing Acquisition Review Summary Report and David J Russell, SC's Review of the Land Acquisition (Just Terms compensation) Act 1991 were made available to the public. They can be found on the Land Acquisition website at www.landacquisition.nsw.gov.au.

BARANGAROO CASINO POKER MACHINES

In reply to **the Hon. PAUL GREEN** (19 October 2016).

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council)—The Minister provided the following response:

There will be no poker machines at Crown Sydney.

GEORGES RIVER OSPREYS

In reply to **the Hon. PENNY SHARPE** (19 October 2016).

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council)—The Minister provided the following response:

I am advised:

The New South Wales Government recently passed the Marine Legislation Amendment Act 2016. The Act introduces a new offence of using a vessel in a menacing manner for which fines of up to \$3,300, a prison sentence of up to 18 months, or both.

These new laws came into effect on 7 October 2016. No charges have been laid against anyone under the anti-jet ski laws (as at 9 November 2016).

Roads and Maritime Services has fined one rider \$750 for riding unlicensed and failing to stay a safe distance away from a navigational aid, the pole the Osprey nest was on.

The owner of the jet ski also received a penalty of \$500 for permitting an unlicensed rider to operate his jet ski.

Another rider and his legal representatives will be interviewed on 16 November.

The two other riders have not presented for the interviews Roads and Maritime Services has requested. Roads and Maritime will take further compliance action.

SHENHUA WATERMARK PROJECT

In reply to **Mr JEREMY BUCKINGHAM** (20 October 2016).

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council)—The Minister provided the following response:

The condition only allows cancellation of the licence if there are no reasonable excuses for not substantially commencing the mine development within eight years of the granting of the original exploration licence.

The company has applied for a suspension of the condition as the company contends it has made all reasonable efforts to comply with this provision but has been prevented due to numerous legal and other regulatory interventions, which are outside of its control.

The Division of Resources and Energy is reviewing this application and will be providing advice to the Minister. The Minister is yet to receive the advice.

This does not need to be exercised on 22 October. It allows for further action to be taken should there be no reasonable excuse for not substantially commencing mine development past this date.

MEADOWBANK RAIL BRIDGE

In reply to **the Hon. COURTNEY HOUSSOS** (20 October 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—The Minister provided the following response:

In May 2016 "make safe" works were carried out to stonework at the southern abutment.

A 10-year asset management plan to maintain the structure has been developed.

LAND AND PROPERTY INFORMATION SERVICE

In reply to **Mr JUSTIN FIELD** (20 October 2016).

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council)—The Minister provided the following response:

The Government does not discuss potential bidders or transaction processes as this information is commercial-in-confidence.

AMBULANCE STATION AMALGAMATIONS

In reply to **the Hon. PAUL GREEN** (20 October 2016).

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism)—The Minister provided the following response:

I am advised:

NSW Ambulance and Health Infrastructure continue to work together to plan all elements of the \$150 million Sydney Ambulance Metropolitan Infrastructure Strategy [SAMIS] program.

To date, nine sites which will make up the Paramedic Response Network have been announced (Penrith, Blacktown, Liverpool, Kogarah, Bankstown, Northmead, Artarmon, Caringbah and Inner West).

There are no plans to close Fairfield ambulance station. The station will remain operational and will be supported by the Bankstown and Liverpool superstations.

SUFFOLK PARK PUBLIC LAND SALE

In reply to **the Hon. WALT SECORD** (8 November 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—The Minister provided the following response:

I confirm the property has been withdrawn from the auction scheduled for 29 November 2016.

INDEPENDENT COMMISSION AGAINST CORRUPTION FUNDING

In reply to **Reverend the Hon. FRED NILE** (8 November 2016).

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council)—The Minister provided the following response:

Base funding for the ICAC has been maintained at around \$24 million per year over recent years, well up on the \$19.8 million in Labor's last Budget (2010-11).

Over the last four years, total expenses have included an average of \$2.2 million of within-year additional contributions (including for special investigations) from the Department of Premier and Cabinet.

The 2016-17 Budget already includes \$529,000 in additional contributions from the department.

Consistent with previous practice, the need for any additional funding will be assessed during the 2016-17 financial year.

The Government is always prepared to monitor the financial situation in coordination with the ICAC, particularly when there is an abnormally high level of activity.

CHILD SEXUAL ABUSE NATIONAL REDRESS SCHEME

In reply to **Mr DAVID SHOEBRIDGE** (8 November 2016).

The Hon. JOHN AJAKA (Minister for Disability Services, Minister for Ageing, and Minister for Multiculturalism)—The Minister provided the following response:

New South Wales is actively engaged in discussions with the Commonwealth and other jurisdictions in relation to the details of a national redress scheme to ensure the best outcomes for victims.

FOREST AGREEMENTS REVIEWS

In reply to **Ms JAN BARHAM** (8 November 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—The Minister provided the following response:

As section 69G falls under part 5A of the Forestry Act 2012, this question should be directed to the Minister for the Environment, who is responsible for administering that part of the Act.

LAND AND PROPERTY INFORMATION SERVICE

In reply to **the Hon. ADAM SEARLE** (9 November 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—The Minister provided the following response:

An independent investigation has been launched to determine the cause of the CRR incident and identify necessary steps to prevent the incident from reoccurring.

HOSPITAL PUBLIC-PRIVATE PARTNERSHIPS

In reply to **Mr JEREMY BUCKINGHAM** (9 November 2016).

The Hon. JOHN AJAKA (Minister for Disability Services, Minister for Ageing, and Minister for Multiculturalism)—The Minister provided the following response:

I am advised by the Minister for Health:

The honourable member is referred to the Minister for Health's media release regarding this issue dated 21 October 2016 which is available at www.health.nsw.gov.au/news/Pages/20161021_00.aspx

As indicated, the EOI responses will now be tested.

DEFIBRILLATORS

In reply to **the Hon. PAUL GREEN** (9 November 2016).

The Hon. JOHN AJAKA (Minister for Disability Services, Minister for Ageing, and Minister for Multiculturalism)—The Minister provided the following response:

I am advised by the Minister for Health:

NSW Health invests in community education regarding the importance of the "Chain of Survival". The Ambulance Service of NSW provides the LIFE—Live It Save It program—a community education program that has been developed to assist people to deal effectively with medical emergencies, and the Sydney Children's Hospital Network has developed an online CPR course available at kidshealth.schn.health.nsw.gov.au/cpr.

Placement of defibrillators in the community should be guided by the approach described in the Safe Work Australia—First Aid in the Workplace Code of Practice, regarding the assessment of risk in specific locations and populations guiding the provision of appropriate first aid equipment on-site (including in ensuring it is in working order). The Work, Health and Safety Act (2011) is the legislation supporting these actions.

The Commonwealth's Therapeutic Goods Administration is responsible for the regulation of devices sold as Automatic External Defibrillators.

Unlike many overseas ambulance services, all Ambulance NSW response vehicles are equipped with Automatic External Defibrillators.

SCHOOL INCIDENT REPORT

In reply to **Reverend the Hon. FRED NILE** (9 November 2016).

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council)—The Minister provided the following response:

As this matter primarily relates to the portfolio of the Minister for Education, I have referred the question to the Hon Adrian Piccoli, MP.

VAUCLUSE BOWLING CLUB

In reply to **the Hon. MICK VEITCH** (9 November 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—The Minister provided the following response:

As at 11 November 2016, there was no undetermined Aboriginal land claim over the site of the Vaucluse Bowling Club.

COMMERCIAL FISHING BUSINESS ADJUSTMENT PROGRAM

In reply to **the Hon. MICK VEITCH** (10 November 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—The Minister provided the following response:

The Stokes and McCoy review was requested at a departmental level.

The review was specifically about changes to the resource assessment framework that will be needed once the Government's Commercial Fisheries Business Adjustment Program is fully implemented.

LYME DISEASE

In reply to **the Hon. PAUL GREEN** (10 November 2016).

The Hon. JOHN AJAKA (Minister for Disability Services, Minister for Ageing, and Minister for Multiculturalism)—The Minister provided the following response:

I am advised:

Lyme disease is an illness that is readily treated by a short course of common antibiotics, with treatment costs for patients supported by usual arrangements.

NSW Health supports the pursuit of scientifically rigorous research into tick-borne diseases such as Lyme disease. To achieve this, research study proposals should be competitively assessed and funded through the usual medical research funding bodies, such as the National Health and Medical Research Council and the Australian Research Council.

NSW Health has a webpage and fact sheets dedicated to informing the public and clinicians about the symptoms of Lyme disease, how to obtain accredited testing for Lyme disease, and links to information about evidence-based treatment of Lyme disease. The information is available at: www.health.nsw.gov.au/Infectious/diseases/Pages/lyme-disease.aspx.

ONLINE GAMBLING

In reply to **the Hon. MARK PEARSON** (15 November 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—The Minister provided the following response:

The objective of the "You're Stronger Than You Think" advertising campaign is to encourage male problem gamblers in New South Wales to access free Gambling Help Services by overcoming barriers of shame and stigma.

The campaign aired in two stages between October 2014 and November 2016. In the first stage, the promotion of Gambling Help Services resulted in a 15 per cent increase to the telephone helpline, 19 per cent increase in online counselling sessions and 27 per cent increase in the number of clients for face-to-face counselling across New South Wales. A mid campaign review conducted in the second stage reported awareness in the target group had increased to 57 per cent.

CHILD SEXUAL ABUSE

In reply to **Mr DAVID SHOEBRIDGE** (15 November 2016).

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism)—The Minister provided the following response:

I am advised:

The Judicial Commission of NSW provides regular, targeted judicial education, specifically on the complexity of child sexual abuse.

ILLEGAL LAND CLEARING

In reply to **the Hon. DANIEL MOOKHEY** (15 November 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—The Minister provided the following response:

Any cases of illegal clearing on Crown land that have come to the attention of the department's compliance unit have been duly investigated and processed via risk assessment in accordance with operational policy.

OUT-OF-HOME CARE

In reply to **the Hon. PAUL GREEN** (16 November 2016).

The Hon. JOHN AJAKA (Minister for Disability Services, Minister for Ageing, and Minister for Multiculturalism)—The Minister provided the following response:

The arrangement and provision of necessary assistance for eligible care leavers until they reach 25 years of age is a requirement of the Children and Young Persons (Care and Protection) Act 1998. FACS provides around \$3 million per annum for specialist aftercare services to assist young people who need support leaving care.

FACS and its non-government partners provide a range of support programs to young people leaving care and information about these is available on the FACS website at www.facs.nsw.gov.au. Care leavers can also access the services they need by calling the FACS Careleavers Line on 1800 994 686.

In the past year, FACS has introduced additional supports for young people leaving care, including developing and rollout of Resolve—a mobile app with information to help care leavers transition from care. FACS has also held a Youth Expo for young people in care, run a youth consultation forum, and launched a program in partnership with the Ladder Foundation to help address education, employment and youth homelessness outcomes.

The Premier has made reducing youth homelessness a personal priority. In 2016-17, the New South Wales Government will spend up to \$59 million on child and youth homelessness services and initiatives. A further \$10 million per annum over four years has been committed to a pilot initiative prioritising young people leaving care whereby up to 406 young people leaving care, who are identified as being at risk of homelessness when exiting care, will be provided with a combination of personal advice, education and employment mentoring, transitional support and head-leased accommodation for up to four years.

ILLEGAL LAND CLEARING

In reply to **Dr MEHREEN FARUQI** (16 November 2016).

The Hon. JOHN AJAKA (Minister for Disability Services, Minister for Ageing, and Minister for Multiculturalism)—The Minister provided the following response:

I am advised as follows:

Nil, including the investigation referenced on *Landline*.

BLANTYRE FARMS BIOSECURITY

In reply to **the Hon. MARK PEARSON** (17 November 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—The Minister provided the following response:

The New South Wales Biosecurity Act 2015 has not yet commenced and the legal requirements to discharge a biosecurity duty under section 23 of the Biosecurity Act 2015 are not yet in force. The department has therefore not initiated an investigation in relation to any breach of section 23 of the Biosecurity Act 2015.

ETHANOL BLENDED FUEL

In reply to **Reverend the Hon. FRED NILE** (17 November 2016).

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council)—The Minister provided the following response:

As this matter primarily relates to the portfolio of the Minister for Innovation and Better Regulation, I have referred the question to the Hon. Victor Dominello, MP.

CROWN LAND REFORM

In reply to **Mr DAVID SHOEBRIDGE** (17 November 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—The Minister provided the following response:

The local land criteria will be included in the Regulations to the Crown Land Management Act 2016. It is anticipated these Regulations will be developed in 2017.

The proposed criteria are available on the website of the Department of Industry (DoI)—Lands.

Draft criteria were contained in the Crown Lands Management Review Report that was issued by the Department of Industry in March 2014.

The criteria were intensively tested with four local councils as part of the Local Land Pilot conducted by DoI Lands in 2014-15 with four local councils—Warringah (now Northern Beaches), Tweed Shire, Corowa (now Federation) and Tamworth.

The final wording of the local land criteria in the Regulations to the Act will be subject to the Parliamentary Counsel drafting process.

WILLIAMTOWN LAND CONTAMINATION

In reply to **the Hon. PENNY SHARPE** (17 November 2016).

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water)—The Minister provided the following response:

The EPA and relevant agencies are required to seek reimbursement of costs from the Commonwealth where appropriate. The Department of Defence has agreed to pay for the cost of aquatic biota sampling undertaken by the Department of Primary Industries—Fisheries. An invoice has been issued and I am advised Defence has approved payment, however monies are yet to be received.

In accordance with the polluter pays principle, the Department of Defence has commissioned the construction of a \$9 million water treatment plant at Lake Cochran to reduce the amount of contaminated water leaving the RAAF Base. Defence will also contribute \$3.5 million to Hunter Water Corporation to connect properties in the investigation area to the reticulated water supply.

GOLD COAST AIRPORT CONTAMINATION

In reply to **Ms JAN BARHAM** (17 November 2016).

The Hon. JOHN AJAKA (Minister for Disability Services, Minister for Ageing, and Minister for Multiculturalism)—The Minister provided the following response:

I am advised as follows:

The Gold Coast airport terminal is in Queensland and is operated by Gold Coast Airport Pty Limited. The runway crosses the border into New South Wales and the fire training ground is also in New South Wales. The land is owned by the Commonwealth Government (Airservices Australia).

The Commonwealth Department of Infrastructure and Regional Development [DIRD] regulates the environmental performance of the airport under the Commonwealth Airports Act 1996. The Environment Protection Authority [EPA] has no powers to regulate pollution or contamination at Gold Coast Airport.

The EPA has outlined its expectations to Airservices to conduct further investigations into potential offsite contamination of groundwater and surface water, including expediting aquatic biota sampling in Cobaki Broadwater to determine if there is a risk to the community.

We are committed to working collaboratively with stakeholders as the investigation develops. The EPA continues to work with DIRD as it carries out its regulatory responsibilities, and with stakeholders to ensure nearby residents and the local community are kept informed of the investigation process, and aware of any key developments.

More information about the New South Wales investigation program is available at www.epa.nsw.gov.au/MediaInformation/pfcinvestigation.htm.

SYDNEY OLYMPIC PARK HOUSING

In reply to **the Hon. PAUL GREEN** (17 November 2016).

The Hon. JOHN AJAKA (Minister for Disability Services, Minister for Ageing, and Minister for Multiculturalism)—The Minister provided the following response:

I am advised:

The submission of the Council of Civil Society New South Wales on the Sydney Olympic Park Master Plan is currently being considered, along with a range of other submissions. The New South Wales Government recognises the need for more affordable rental housing as well as addressing housing affordability more broadly. Housing affordability and affordable housing are key planning concerns across Sydney, including Sydney Olympic Park.

Personal Explanation

THE HON. WALT SECORD

The Hon. WALT SECORD (17:04): I seek leave to make a person explanation.

Leave not granted.

The Hon. Walt Secord: Are Government members going to play it that way? That deserves to go to the Privileges Committee.

The PRESIDENT: The member knows what action, if any, he can take. This is not the time.

Committees

STANDING COMMITTEE ON STATE DEVELOPMENT

Report: Economic Development in Aboriginal Communities

Debate resumed from 18 November 2016.

The Hon. GREG PEARCE (17:06): In reply: I am very pleased to thank honourable members who have spoken in this debate, particularly the deputy chair of the committee, the Hon. Mick Veitch, who has been a great support in the work of the committee. Jan Barham, who has now retired, made a great contribution while she was here. I also thank the Hon. Courtney Houssos, Mr Justin Field and the Hon. Shaoquett Moselmane. All

the committee members regarded this as a very important report. It was a very important opportunity for us to make some sort of contribution to reducing and combating disadvantage in Aboriginal communities in New South Wales.

At the centre of this report and the centre of our deliberations—and, we say, at the centre of Government—is support for Aboriginal development. All the participants in the inquiry were as one in the view that economic development, jobs and investment were the keys to reversing and combating disadvantage in Aboriginal communities. So we tried to come up with some practical and realistic strategies and actions to support Aboriginal economic development in the State. In particular, I wanted to highlight some of our recommendations in relation to Crown lands. The committee looked at coming up with some practical means to address the dreadful backlog in dealing with land claims and the land claims process. Land is precious to Aboriginal communities, and to resolve some of those problems will make a significant contribution.

I have been working with government agencies since we released the report to try to make sure that we advance those sorts of issues. An important part of the committee's considerations was the need to strengthen the Aboriginal land council system. Aboriginal land councils have had difficulties over the past three decades or so, but they are now a very important, established system of governance and development within Aboriginal communities. They have a significant level of support from the local communities. There is a need to update their processes and to provide them with greater resources. The committee made some very strong recommendations in that are.

There were some other specific things in the government procurement space—for example, when I was Minister for Finance and Services we did some work on government procurement. There is a need to do a little bit more, particularly in relation to opportunities for Aboriginal businesses to work on procurement contracts for the New South Wales Government. The Federal Government is doing a very good job on that at the moment. I again thank all the members who have spoken in this debate. I particularly thank the committee members: the Hon. Mick Veitch, the Hon. Natasha Maclaren-Jones, the Hon. Paul Green, who was always a great support, the Hon. Rick Colless and the Hon. Ernest Wong. It was a unanimous report. We worked very well together in the hope of doing what all members want when we come into this place: to try to make a difference and to try to improve things for the community. I have already thanked the secretariat, led by Rebecca Mayne, and Hansard. We could not do our work without you. I commend the report to the House.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): The question is that the House take note of the report.

Motion agreed to.

GENERAL PURPOSE STANDING COMMITTEE NO. 6

Report: Crown land in New South Wales

Debate resumed from 18 October 2016.

The Hon. PAUL GREEN (17:10): In reply: This was a very productive and successful inquiry. The contributions of all committee members were very helpful. Indeed, committee members do their best work when they are bipartisan. Some parts of this report need to be addressed quickly, rather than left loosely on the shelf—particularly Crown land paper roads. For example, some properties could probably be squared away and given to farmers so they can utilise that productive land, or the department needs to give some very clear indications that it intends to use those Crown lands. Leaving them to be investigated over five to seven years is just ridiculous. That probably says more about the department's priorities than staffing levels. I thank Minister Niall Blair for his assistance and also his staff. Members are here to help the people of New South Wales prosper in all areas and we played a part in that by providing our recommendations to the Minister. I also thank the secretariat for their assistance. I commend the report to the House.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): The question is that the House take note of the report.

Motion agreed to.

GENERAL PURPOSE STANDING COMMITTEE NO. 5

Report: Wambelong Fire Inquiry Evidence

Debate resumed from 8 November 2016.

The Hon. ROBERT BROWN (17:12): The terms of reference for this inquiry were agreed on 22 June 2016 to re-examine certain evidence that was given to the original Wambelong fire inquiry by the Department of

Office of Environment and Heritage and the National Parks and Wildlife Service. I note that Dr Mehreen Faruqi substituted for Mr Jeremy Buckingham for the duration of the inquiry. I begin by expressing my gratitude to all committee members. In the true spirit of the committee system, this inquiry was held in a non-partisan way by all the members. We took the attitude that we were examining a situation that was probably crucial to the continued relevance of the parliamentary committee system—namely, that the reports given by committees in this House are reliant on the accuracy and the truthfulness of the evidence, in particular that given by government departments and government employees. I will read a couple of paragraphs from the chair's foreword:

This unusual inquiry has examined a single issue: whether the New South Wales Office of Environment and Heritage gave false evidence to the committee's original inquiry, finalised in February 2015, into the massive and tragic Wambelong wildfire. This inquiry was established as a result of allegations made by a Coonabarabran property owner, Mr John Shobbrook, who, among a group of 56 landholders, lost property in that devastating fire."

We have recently seen the results of another devastating fire in New South Wales. The loss of property is devastating; there is no other way to express it. We are grateful that no lives were lost in either fire. A coronial inquiry was held subsequent to the Wambelong fire. Again, no lives were lost. That inquiry, which was run in parallel to the upper House inquiry, concluded its report just after the original Wambelong fire upper House inquiry concluded. One of the problems the committee looked at was that the record of evidence given to the Coroner differed from the evidence given to the upper House inquiry.

I will not go into the detail of some of the discussions that took place, but in this inquiry the committee was unable to determine that the Office of Environment and Heritage had purposely misled the committee. However, the committee's examination of Mr Shobbrook's allegations indicate that the approach of the Office of Environment and Heritage to our original inquiry was—words used in my foreword—"insufficiently attentive". Those words were crafted with politeness in mind. Indeed, had it not been such a serious matter, the language could have been far more robust. It is well known that I tend to say unparliamentary things at times.

I turn to the one single recommendation in this inquiry: that the Premier's memorandum M1998-09 Guidelines for Public Sector Employees Dealing with the Legislative Council's General Purpose Standing Committees be amended to ensure that government agencies and their officers are aware of their obligations to provide accurate and complete information when participating in parliamentary inquiries. Indeed, we would like the Premier to emphasise the public servants obligations to tell the truth under the Parliamentary Evidence Act 1901. I again thank all committee members. I thank Hansard for their accurate recording of the evidence given. In fact, the accuracy of the evidence recorded was our tool, or our weapon, in trying to determine whether misdirection had been applied in the evidence given by officers of the Office of Environment and Heritage and NSW National Parks and Wildlife Service.

I thank the committee directorate and committee staff who handled this inquiry. We need to understand that in making these allegations Mr Shobbrook, supported by evidence from other local landholders, was required to revisit the evidence that he had given at the inquiry, particularly at the public hearings held at Coonabarabran. Mr Shobbrook no longer lives in the district. His distress on bringing forward a complaint and in giving evidence was obvious to all committee members. Committee members took the matter seriously, and Mr Shobbrook's evidence was handled beautifully by the committee staff. They ensured that Mr Shobbrook, who travelled to Coonabarabran with the support of his wife because he is not well, was handled properly and with dignity. I thank the secretariat for the professional manner in which they conducted themselves.

The upper House committee system, whilst it is inquisitorial, does not have the powers of an independent commission against corruption or a coroner. We can subpoena witnesses to give evidence, but the prime output of committee inquiries is to give affected people an opportunity to have a say and feel that members of Parliament are listening to their evidence and reading their submissions. The conduct of these inquiries reflects the conduct of the Parliament itself. I commend this report to the House.

The Hon. MICK VEITCH (17:21): As deputy chair of General Purpose Standing Committee No. 5, I contribute to debate on the committee's report No. 43 entitled "Wambelong fire inquiry evidence", dated October 2016. I echo every statement made by the chair, the Hon. Robert Brown, and I commend him for the way in which he chaired this inquiry. This important inquiry was relevant to the operation of the committee system of the upper House in that the evidence and testimony provided was proven to be accurate. As members of the Legislative Council, we must ensure that this is always the case. As members of this committee, we spent some time working through the information provided to us in submissions before we determined that we should conduct this inquiry. The committee made only one recommendation.

Members would know that I am a strong supporter of the committee system of the Legislative Council. The recommendation that this committee made goes a long way towards continuing to build members' faith that evidence given to our inquiries, particularly evidence given by public servants, is accurate and that we can rely on evidence provided to our public inquiries, both in written form and verbally. I reiterate what the chair said

about the committee secretariat, who conducted the inquiries with a degree of sensitivity. The committee had to deal with a lot of sensitive information. I also congratulate Hansard staff on the accurate transcript of proceedings. The committee had to rely on accurate recording of the testimony provided, and the end result is the report the committee has tabled. Not one member of this committee took proceedings lightly. We took our role seriously, and again I extend my appreciation of the secretariat and of Hansard. General purpose standing committees can be confrontational and adversarial, but this one was constructive.

The conduct of this committee was due in large part to the fact that the chair assisted members of the committee in our role. He conducted himself with a high degree of professionalism. Parliamentarians do have stoushes in the Chamber, but a well-functioning committee is a reflection of the way that committee is chaired. The Hon. Robert Brown did a good job of chairing a very difficult inquiry, and I congratulate him on that role. I commend the report to the Chamber and I hope that the Government looks at the single recommendation. It is critical to the way in which all upper House inquiries operate that we can rely on the accuracy of the testimony of witnesses at inquiries, particularly the testimony of public servants.

The Hon. GREG PEARCE (17:24): As a member of General Purpose Standing Committee No. 5, I also contribute to debate on the committee's report No. 43, entitled "Wambelong fire inquiry evidence", dated October 2016. I reiterate the comments of the chair, the Hon. Robert Brown, and the deputy chair of the committee, the Hon. Mick Veitch. This was a difficult and important inquiry, and we gave it serious consideration. We met on a number of occasions and we were very concerned about whether we should pursue the inquiry. We found that there was a significant discrepancy in evidence given to the previous inquiry, which meant that the report of the previous inquiry contained an error. This error became apparent later, when it was found there was a discrepancy between the evidence put to the previous inquiry and the Coroner's inquiry.

All the members of the committee worked hard together to reach a unanimous view and to give this matter proper consideration. We felt it was important to make sure that the concerns of witnesses were rigorously reviewed and considered. I support the recommendation of the inquiry.

The Hon. PENNY SHARPE (17:26): As a member of General Purpose Standing Committee No. 5, I contribute to debate on the committee's report No. 43, entitled "Wambelong fire inquiry evidence", dated October 2016 and place on record my continued concerns for the 56 landholders who lost property in that fire. New South Wales bushfires in the past few weeks have reminded me of what happens to people affected by them. During this inquiry we came face to face with people who were affected by the Wambelong fire, and I was reminded of how difficult these issues can be and the need for us to inquire into such incidents in order to provide advice and information to improve our response to fires in the future.

This report goes to the question of what works during committee inquiries, and this committee worked extraordinarily well together. There was no political argy-bargy during this inquiry. All committee members seriously considered the significant issue that impacted those affected by this fire and how well the committees of this Chamber operate, confident in the knowledge that the information we are provided is rigorous so we can make the best possible recommendations. Too often we try to deal with matters in a time of high emotion after a disaster, as was the case in the original inquiry. This is the first inquiry of General Purpose Standing Committee No. 5. While the subject matter was difficult, I genuinely enjoyed the process because all of us worked through a complex issue and came up with an agreed outcome and recommendation. I thank the chair, the Hon. Robert Brown, for his stewardship of the committee. I also thank the committee secretariat for dealing with the sensitive issues raised by people directly affected by the tragedy of losing their property. We took seriously all witnesses who appeared before the inquiry.

I believe that the Office of Environment and Heritage [OEH] learned a valuable lesson through the process of this committee. OEH staff members were keen to ensure that they gave the correct information during the inquiry process when they realised they had inadvertently provided us with incorrect information at the previous inquiry. They took the process very seriously. I look forward to the Government adopting the changes we recommend. We cannot do our jobs if we cannot be guaranteed that information we get during the committee inquiry process is as accurate as possible. It was important for all parties that we worked through the process with OEH staff members, although I am sure they did not enjoy it. It is an important precedent and it sends a strong message about the role of this Chamber and our ability to do our jobs. It also sends a strong message about the importance of our public servants, who I believe do not set out to mislead us.

However, it is important that they pay attention to detail, particularly in answers to questions on notice and answers to supplementary questions. They might be relieved a hearing is over and think they can leave it to someone else to clean up the mess, and that is where I think the problem in the OEH testimony lay. I am pleased that the inquiry has been completed and I strongly support the recommendation. I look forward to the recommendation being implemented by the Government.

The Hon. ROBERT BROWN (17:29): In reply: I thank the Hon. Mick Veitch, the Hon. Greg Pearce and the Hon. Penny Sharpe for their contributions to debate on this report. The report is brief; the speakers have been brief. I commend the report to the House.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): The question is that the House take note of the report.

Motion agreed to.

COMMITTEE ON THE INDEPENDENT COMMISSION AGAINST CORRUPTION

Report: Review of the Independent Commission Against Corruption: Consideration of the Inspector's Reports

Debate resumed from 8 November 2016.

The Hon. Dr PETER PHELPS (17:30): In speaking briefly on this report, I express concern about the continued operation of the Independent Commission Against Corruption [ICAC] in its current form. ICAC in its current form represents nothing more than a legalised defamation against the character of people who are brought before it. If its hearings were to be heard in camera, I could understand that. If it were to retain or indeed increase its powers as a de facto Star Chamber, I could understand that. No-one suggests that a gun is held at our head and we have to take our place in Parliament, managers have to take their place in councils or councillors are forced by society into their positions. We do these things voluntarily, and we should be willing to accept a higher standard of public morality for the offices we hold—not least of which for the substantial powers that accrue to people in those positions. With substantial power comes the need for a substantial reflection on the use of those powers. If we do not apply a higher standard to the performance of people in those positions we leave ourselves open to the possibility of abuse.

Currently that does not happen. Currently those who abuse their powers can claim immunity under the Independent Commission Against Corruption Act 1988 for any testimony that they give leading to a prosecution. That strikes me as an unfortunate consequence of the nature of a public disclosure, which is currently required by the ICAC. I have said it before and I will say it again: I believe there should be an inquisitorial body. I believe it should have substantial powers. I even believe it should be able to allow for the compulsion of testimony that is unfavourable to witnesses. But I also believe it should be done in a setting that does not allow for what amounts to the legalised defamation of individuals involved in those proceedings.

The Hon. TREVOR KHAN (17:33): I do not wish to speak for long in debate on this report. I am a member of this committee, as is Reverend the Hon. Fred Nile and a number of other people on both sides of this Chamber. There is no doubt that over the past year the committee considered a number of contentious matters, including the matters in the inspector's report. I make it plain that all members of the Committee on the Independent Commission against Corruption share a view of the importance of the ICAC. Clearly, there has been a difference of opinion at times as to how ICAC should progress, but that has been of the nature of light and shade.

All of us should recognise that ICAC was a creation of government many years ago. It was a creation of the Greiner Government for a number of reasons. At that time the stench of corruption hung over government in New South Wales. That was not a problem just for government; it was a problem for the economy as a whole. If there is a lack of faith in governmental institutions that discourages both investment in the State and the community's faith in the system as a whole. The decision to establish ICAC was the correct one. The basic architecture established, including public hearings, was also correct. The inclusion of public hearings was because there is an educative benefit from the dissemination of information relating to corrupt conduct and an educative outcome for public servants—and, indeed, politicians—by the disclosure of corrupt conduct.

For that reason I disagree with the approach of the Hon. Dr Peter Phelps. The Hong Kong model, where everything is conducted behind closed doors, has a number of shortcomings. Inquisitorial processes behind closed doors have their own set of risks that are beneficial to neither the public nor those involved. By the end of last year we found a good balance, in our reports and recommendations, as to how to move forward. We improved the structure of accountability; we improved elements of procedural fairness. We arrived at a point where some of the problems that appeared to develop recently in the operation of ICAC were overcome. What we sought to achieve was encapsulated reasonably closely by the legislation that came before the House. All members of the committee can be proud that they moved forward with a consensus approach.

Now it is time for us to see ICAC move forward. It is time for us to commit to supporting ICAC in a bipartisan way. It is time for the media to divorce itself from the Fairfax versus Murdoch war that developed over ICAC—an obstructive process for ICAC and for the individuals involved. Many well-meaning staff have worked for and currently work for ICAC and wish to see appropriate outcomes for governments in New South Wales.

I commend the report, the secretariat for its faithful assistance to us—sometimes working in circumstances where opinions were dynamic and personalities volatile—and I commend all the members of the committee who reached a consensus in this report.

Reverend the Hon. FRED NILE (17:38): In reply: I thank the Hon. Dr Peter Phelps and the Hon. Trevor Khan for their remarks in this debate on the report of the Committee on the Independent Commission Against Corruption [ICAC] entitled "Review of the Independent Commission Against Corruption: Consideration of the Inspector's Reports". The ICAC committee has been working well, representing both Houses of Parliament and all the political parties in Parliament. It has brought forward not just reports but also recommendations that have been adopted by the Government. There has been an extensive reorganisation of ICAC, as members would know. There are now three commissioners. It is important that ICAC continues its work providing justice, efficiency and transparency so that people can see that justice is being done. I commend the report to the upper House.

The DEPUTY PRESIDENT (The Hon. Ernest Wong): The question is that the House take note of the report.

Motion agreed to.

COMMITTEE ON CHILDREN AND YOUNG PEOPLE

Report: Sexualisation of Children and Young People

Debate resumed from an earlier hour.

The Hon. PAUL GREEN (17:40): I contribute to the take-note debate on the report of the Committee on Children and Young People entitled "Sexualisation of Children and Young People". This inquiry emerged as a result of community concerns about the growing presence of sexual imagery in advertising and various media—in particular, online—and children's exposure to this material. The committee undertook this inquiry to ensure that measures could be taken to assist parents and carers to educate and protect children and young people from sexualisation—broadly defined as the act of giving or implying a sexual character to children or young people.

I thank the chair, Ms Melanie Gibbons, MP, for managing a challenging but essential and informative inquiry. I also thank the other committee members: deputy chair Mr Damien Tudehope, MP; the Hon. Greg Donnelly, MLC; Mr Michael Johnsen, MP; the Hon. Bronnie Taylor, MLC; and the Hon. Ben Franklin, MLC, who replaced the Hon. Bronnie Taylor towards the end of the inquiry. I thank the committee secretariat, who greatly assisted all committee members throughout the inquiry process. In this inquiry the committee investigated concerns about sexualisation in relation to the representation of children and young people in advertising, their exposure to pornography, and sexting and revenge porn. It also considered education programs available to children and young people, including significant concerns regarding the Safe Schools program.

Safe Schools was launched as an anti-bullying program and provided in schools that opted in to the program. Its aims are, first, to reduce homophobic and transphobic behaviour and intersex prejudice; and, secondly, to increase support for same-sex attracted, intersex and gender diverse students, school staff and families. Safe Schools is funded directly by the Commonwealth Government and has been operating since July 2014. The program is managed by the Safe Schools Coalition, a network of organisations convened by the Foundation for Young Australians. The committee received a number of submissions expressing concern about the Safe Schools program. For example, one individual wrote:

I am deeply opposed to the Safe Schools Coalition Australia. This anti-bullying program currently in hundreds of schools is promoting the sexualisation of children through detailed discussion of explicit sexual content.

Why does gender diversity need to be focused on children aged between 12 to 14 years? This is the time when many have or will experience puberty—a difficult and occasionally uncomfortable time full of questions and emotions. A child's brain is not fully developed until he or she is around 25 years old. In the area of brain function teenagers process information with the amygdale—that is, their emotion. Adults, on the other hand, think with the prefrontal cortex—that is, the rational mind. The NSW Council of Churches questioned the age appropriateness of the program and said:

The SSCA program sexualizes children and the school environment, introducing age-inappropriate material and implicitly encouraging sexual experimentation.

Others expressed their anxieties about this program. A number of people have written to me as a member of Parliament, and to many others, citing disgust that their children are being exposed to the Safe Schools program. One father wrote:

Gender fluidity and the other insidious agendas being taught are meant to sexualise my child without my knowledge.

His concern was that the Safe Schools program basically took out of his hands what he was to teach his child about sexual issues. Another concern was that what the Safe Schools program was teaching kids in school should be age appropriate. He believed that was under a cloud, particularly when it comes to what State laws say about sexualising children and what the Safe Schools program provides in schools. The public is concerned that the Safe Schools program is leading to the sexualisation of children by encouraging children and young people to challenge heteronormativity and gender stereotypes at a time when they may not fully comprehend these concepts. With this in mind, the Christian Democratic Party asked the committee to abolish the Safe Schools program and to replace it with an appropriate anti-bullying program. Of course, the Government was not of the same view. It supported a different recommendation about schools opting in to this program.

The committee recommended that, under the controversial issues in schools policy, the Department of Education require schools to consult with parents prior to any implementation of the Safe Schools program, and require that parents choose whether to opt in to this program. At any time parents may elect to have their child opt out of the program. Millions of children and young people are exposed to adult content in advertising every day. The Australian Christian Lobby recently released a document entitled "Sexualisation of our Society", which states:

Research confirms that a highly sexualised environment impedes children's development of healthy body image; affects their self-esteem, cognitive and emotional development, mental and physical health and wellbeing, conceptualisation of femininity and sexuality, gender and sexual roles; can contribute to or provoke sexual harassment (or sexualised violence) in schools and workplaces; and affects girls' educational achievements and lowers their aspirations.

The committee found the sexualisation of children and young people in advertising to be quite concerning considering people are generally exposed to more than 3,500 advertising messages each day. There is little legislation specifically regulating advertising in Australia. Most advertising is regulated on a voluntary basis by the advertising industry itself. Ms Fiona Jolly, Chief Executive Officer of the Advertising Standards Bureau, emphasised that "the vast majority of advertising and marketing communications in Australia complies with the relevant codes and is not complained about". However, Ms Jolly explained that "sex, sexuality and nudity are consistently one of the most complained about issues in advertising".

The Australian Christian Lobby cited a number of factors as evidence that the Advertising Standards Bureau is out of touch with community attitudes. These include the high level of community concern regarding sex, sexuality and nudity in advertising, and the low proportion of complaints upheld. The committee found the unique feature of out-of-home advertising is that it cannot be avoided or turned off by consumers, and hence concerns about whether advertisements are appropriate for viewing by children are heightened. The evidence heard by the committee indicates that strong community concerns about advertising relate largely to the exposure of children and young people to sexual imagery, rather than sexualised representations of children in advertising produced in Australia. While there is consistent community concern about the use of sexual imagery in advertising, the committee found that the number of complaints received by the industry regulator is relatively low.

The committee found that, due to the availability of internet-enabled technologies, children and young people are now able to access and navigate the internet more easily. The internet and social media have become part of their everyday cultural exchange, and with this comes increased access to internet-based pornography. Pornography is a specific, identifiable source of sexualisation and as such is most likely to be directly linked to harm. For example, the New South Wales Advocate for Children and Young People advised that exposure to pornography is associated with a range of negative impacts including: mental health problems; body image problems; relationship dissatisfaction; impact on development of future healthy relationships and sexual relationships in adulthood; risky sexual behaviours that can result in contraction of sexually transmitted infections and unwanted pregnancy; and possible addiction. The Advocate for Children and Young People argued that there is sufficient evidence available for policymakers to act, saying:

There is evidence enough for us to be doing something about it and it is being done. There are enough programs for us to be looking at them and collating that research. There is enough evidence to say that it is a problem.

The Australian Psychological Society expressed the view:

Policy makers cannot hope to base decisions on 'hard' empirical research data in this area, but rather on trends and patterns which are consistent with psychological theory.

In relation to the harms of pornography, while there is still the need for more research, there is good evidence and expert opinion that the exposure of children and young people to pornography is associated with a wide range of potential harms. Some stakeholders pointed to an increase in problematic sexual behaviour in children and young people. For instance, Dr Joe Tucci, the Chief Executive Officer of the Australian Childhood Foundation, observed:

We're now seeing six, seven and eight-year olds involved in coercive, manipulative sexual behaviours, because there's a confusion around what sexuality means.

The committee recommends that the Advocate for Children and Young People monitor research into young people's use of and attitudes towards pornography. The committee also recommends the Advocate for Children and Young People continue to work with the Office of the Children's Safety Commissioner and industry stakeholders to explore opportunities to reduce children's and young people's exposure to pornography. The committee also recommends that the Attorney General advocate for the adoption of opt-in internet filtering through the Law, Crime and Community Safety Council of the Council of Australian Governments. The committee also investigated the prevalence of the use of social media and how that may sexualise children and young people. Youth Action observed:

... the prevalence of mobile devices in young people's lives has undoubtedly changed the ways in which young people interact, socialise, and conduct friendships and relationships.

The committee found that many internet platforms and companies have instituted their own policies to protect internet users, and these often include prohibitions on pornography. Stakeholders raised concerns that children and young people were not just exposed to sexual content online but also involved in creating and sharing sexual images of themselves and other young people—sexting, as it has become known. According to the New South Wales Government, sexting is the "creating, sharing, sending or posting of sexual images or messages via the internet, mobile phones or other electronic devices".

While benign when engaged in consensually, sexting can be damaging when intimate or sexual images are shared without the consent of the subject or subjects involved. As the committee heard, in some cases consent is not obtained before images are shared and sexts may also be posted maliciously—revenge porn, as it has become known. Revenge porn can be deeply distressing and damaging for adults, let alone children and young people. Given the concerns regarding revenge porn and the exchange of child exploitation material online, which may include images of revenge porn, the committee recommends that the Advocate for Children and Young People monitor research concerning the creation and distribution of sexts and pornography by minors.

While the committee found that further research is needed to increase our understanding of the dynamics of sexualisation, the committee believes the evidence supporting the negative impact of sexualisation on children and young people is both clear and strong. We need to protect and educate our children. I have done everything I can to try to motivate and mobilise programs that help protect our children, from the Bravehearts program to the recent Government funding of \$4 million over four years to help teach children how to recognise and respect their private parts and when someone is crossing the line in activating a selfish need to sexualise or take advantage of our children.

In this day and age the internet has been incredibly helpful in a lot of ways, but, unfortunately, there is a dark side. We need to do what we can through education. The last thing we want for our kids is to have a stolen sexual generation because of access to cyber pornography. These kids will not reach their full potential if we do not arrest these issues and make good policy to ensure that they are able to grow up to be well-adjusted young adults who fulfil their God-given dreams, gifts and talents in our nation, never mind our State. I commend the report. It was a very hard inquiry because there were some distinct and clashing world views, as one can imagine, but at the end of the day I think everyone agreed that we must do more to protect our children from being sexualised. We commend the report to the House.

The Hon. BRONNIE TAYLOR (17:54): I make a brief contribution on the report on the sexualisation of young people. I was fortunate to sit on the Committee on Children and Young People until 25 August 2016, when I was replaced by the Hon. Ben Franklin. I was there for most of the duration of the inquiry. I make mention of the chair of the committee, Ms Melanie Gibbons, the member for Holsworthy. She did a really terrific job in an inquiry that was confronting and difficult at times. I also congratulate her on the arrival of her beautiful baby girl—something that is always really exciting. I also mention the other committee members: Mr Damien Tudehope, the deputy chair; Ms Jodie Harrison, the member for Charlestown, who made a fantastic contribution; Mr Michael Johnsen, the member for Upper Hunter; the Hon. Greg Donnelly, whom I always enjoy working with in the upper House; the Hon. Paul Green, who spoke before me; and the Hon. Ben Franklin, who came onto the committee and replaced me.

I highlight the issue about media and communications, and the fact there is strong evidence that easy internet access can expose many children to online porn and to websites that are not age appropriate. I had the privilege of sitting on the Legislative Council Standing Committee on Law and Justice for some time under the Hon. Natasha Maclaren-Jones when she was the chair on an inquiry that focused on revenge porn. This is an area of great concern for us as a society and as a community. I have two daughters who are now aged 18 and 20, but I have seen some of the things that have happened to people they know and things that are posted on social media. No matter how much we think we are educating our children not to do this, I sometimes question whether it is getting through. I do not think they realise the long-term impacts that this can have on them. It is always difficult—

as a mother, I know. Parents can tell young people until they are blue in the face but it is often not until young people experience things that they learn for themselves—but the consequence of that can be horrible.

One of the recommendations of the Legislative Council Standing Committee on Law and Justice inquiry was to look at this issue, and it has come up again in this report. When things come up time and again as issues that need to be addressed, there is a message in that. I implore the Government to look at this because it is an important issue. I also take the opportunity to applaud the work of the Advocate for Children and Young People. It was a privilege to get to know Andrew Johnson—and to work with him—and all the things he is trying to do. He is kicking some fantastic goals. I am excited about what his office can do for the State, but I am even more excited that he is listening, and is keen to work and do things through the prism of children and young people. It is very easy to tell people what we think they should have, but it is important that we work with children and young people on this issue to get the results we so obviously need.

I was also pleased to see the Children's Safety Commissioner included in the report's recommendations. That is a very smart move indeed. The committee heard evidence about the damage that revenge porn is doing. The message is loud and clear: We need to be a lot more proactive about that. The greatest gift that we have is our children—the next generation—and we owe it to them to look after them. We owe it to them to be doing better than we are currently doing in this space. Again, I thank the Hon. Ben Franklin for sitting in for me at the end of this inquiry; I really appreciated it. I again congratulate all members on their work. Those issues are never easy, but it is our responsibility to ensure that we make the world a better place for our children.

Reverend the Hon. FRED NILE (17:59): I record my support for the speech made by my colleague the Hon. Paul Green, which covered extensively many aspects of the sexualisation of children. I have urged him to print his speech and distribute it to all members. I know it is in *Hansard*, but I do not think many members read *Hansard* word for word. The information he has conveyed will have an impact on members of this House and the other place. I also support his concern about the impact of the so-called Safe Schools program, which was promoted as an anti-bullying program. However, the lady who designed it, Roz Ward, has written articles stating that it has nothing to do with bullying. It is a fluid gender course. It is teaching children that genders are not fixed as male or female, that they are flexible. We might think perhaps children can cope with that.

The Victorian Premier, Mr Daniel Andrews, thinks it is a great course and some years ago he made it mandatory for every child in Victoria. I have checked on the mandatory teaching of the Safe Schools program in Victoria. I read a report from the Royal Melbourne Children's Hospital, which has a special unit with psychiatrists who deal with gender problems. Three or four years ago it was reported that three or four children who were experiencing confusion about their gender were brought to the hospital by their parents. A report from last year states that the unit now treats 250 children. From that point of view, the design of the Safe Schools program has been successful. There are now 250 children who are confused about their gender and whether they should wear a girl's uniform or a boy's uniform, and whether they should go to the boys' toilet or to the girls' toilet.

I do not think the program has been of any benefit to those children, which also confirms our reasons for opposing the Safe Schools program and our belief that it should be withdrawn from the State school system. It is every parents' right to give that material to their children if they wish, but it should not be part of the public school system where parents are not involved and the material is given directly to the children. I also agree with other members who are concerned about the sexualisation of children. I could spend some time giving examples. Police and doctors report that they are concerned about boys aged nine and 10 committing sexual assaults on girls of the same age. What do the boys know? Why are they trying to rape a girl of nine years of age when they are children themselves? This material, which is probably accessed through the internet, is having an impression on their attitudes and the way that females should be treated. For that reason, the Government should keep this issue under close examination and consider what should be done through Government policies and legislation to reduce harm to children in our State and our society.

Debate adjourned.

Business of the House

SUSPENSION OF STANDING AND SESSIONAL ORDERS: PRECEDENCE OF BUSINESS

The Hon. BEN FRANKLIN: I move:

That standing and sessional orders be suspended to allow the moving of a motion forthwith relating to the conduct of Business of the House.

Motion agreed to.

PRECEDENCE OF BUSINESS

The Hon. BEN FRANKLIN: I move:

That Business of the House and Government Business take precedence of debate on committee reports for the remainder of this day.

Motion agreed to.

Disallowance

PETROLEUM (ONSHORE) REGULATION 2016

Debate resumed from an earlier hour.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (18:05): A thriving gas industry has the potential to provide economic benefits, including new sources for jobs and investments in rural and regional communities in New South Wales. For those reasons, the New South Wales Government supports the safe and sustainable development of our gas reserves as outlined in our Gas Plan. We are encouraging gas companies to create a positive legacy for those communities that host their operations. Communities that host gas exploration and production should also enjoy benefits in line with the economic contribution the project will make to New South Wales.

In recognition of this, the framework for a Community Benefits Fund was established to deliver on action 13 in the NSW Gas Plan. This encourages gas companies to share the financial benefits of the gas operation with the local communities that host those operations. The framework also delivers on the recommendations of the NSW Chief Scientist and Engineer's review of coal seam gas activities in New South Wales to strengthen the benefit for local residents in the gas development areas. The design of the fund was informed by public consultation over three months in 2015 and is intended to ensure that, first, there are lasting and mutually beneficial relationships developed between gas companies and the communities in which they operate; secondly, that communities are involved in decisions to fund local projects; and, thirdly, that funding decisions promote community development, social enterprise transparency and accountability.

The Government received 27 submissions from local councils, gas companies, associations and community groups. Disallowing division 2 of part A of the Petroleum (Onshore) Regulation 2016, as this motion is proposing to do, will remove the framework that makes this possible. Under this framework, which has been operating since 1 July 2016, gas companies in New South Wales can apply to the Minister to establish a fund that covers the local area where they are undertaking exploration or production. The fund provides an incentive for gas companies to bring forward the benefits of community contributions during the exploration stage of a development, allowing communities to begin building local and social enterprises early in the life of the project. Gas companies are encouraged to establish and contribute to a fund by way of a \$1 rebate on their royalty payments for every \$2 contributed, capped at 10 per cent of annual royalties. A fund, once established, would have widespread benefits for communities that host gas projects. For example, Santos has stated that it will contribute \$120 million to the fund. With local decision-making and Government administration of the fund, that money will go to build lasting and beneficial projects that the community chooses.

Individuals, organisations or enterprises that deliver local and social community development initiatives will be eligible to apply for grants from the money invested in the fund. These grants can support local initiatives to improve health outcomes, education, the environment, economic development and heritage, sport, arts and culture. Decisions on which initiatives to fund will be made by a local committee that will be managed by the NSW Rural Assistance Authority. This allows local communities to administer and influence directly how the funds will be spent for the benefit of the local community. Let me make it clear that this does not replace titleholders' obligations to negotiate compensation with landholders who are directly impacted by titleholders' activities. Disallowing this part of the regulation would be likely to have negative impacts on communities that host gas projects, because communities would have less funds available for community initiatives.

The royalty rebate incentive that gas companies would have had to establish—an authorised fund—would not exist. The royalty rebate incentive provided through the fund simply reallocates the royalty money payable from State revenue directly to the local communities where gas is being developed. The framework also allows for clear guidance on issues such as eligibility, purpose and size of grants, and for local communities to be directly involved in administering and granting funds. For these reasons, obviously the Government cannot agree to this disallowance. I will be most interested to hear what the Opposition has to say and to see exactly how it proposes to defend its decision should it decide to support Mr Jeremy Buckingham's disallowance, which so obviously goes against the interests of regional communities.

The Hon. ADAM SEARLE (18:11): I speak on behalf of the Opposition on this disallowance motion. The Opposition will support the disallowance motion, because this part of the regulation is a complete fraud. It has been established by the Government as a book entry. The fact is that this does not provide for significant additional resources to go to gas-affected communities. This is a public relations stunt by the Government to

enable those companies engaged in gas exploration to try to generate public goodwill in those communities. Let us be very clear: The Government does not need this regulation or this division to make sure that the resources from royalties go back directly to those affected communities. The Government could achieve that aim directly, should it wish.

Instead, on the one hand, the Government is making it look as though these commercial enterprises are engaged in some kind of philanthropic exercise when in fact they are simply reducing the royalty payments they are otherwise obliged to pay to the community of New South Wales. If the Government really wants to see royalty payments from this source go to gas-affected communities, and to consult affected communities about how that money should be spent, there is no impediment to the Government's doing that—absolutely no impediment. Instead, this Government has decided to engage in a device to enable companies to try to engage in softening up communities, because this Government and the coal seam gas industry has made a complete hash of the gas policy of this State. The whole industry is completely toxic and unacceptable to large swathes of the community.

This regulation is simply a device to enable those companies engaged in this kind of activity to try to buy public goodwill. That should not be the approach to public policy in this State. If companies engaged in this form of activity want to make philanthropic or voluntary payments to local communities, no-one is stopping them from doing so. If the Government wants to divert the resources it gets from royalties from these activities to gas-affected communities—in the form of community partnerships and building community resources—there is no impediment to the Government's doing that. If the Government wishes to consult local communities about where, and on what projects, this money is spent, there is no impediment preventing the Government from engaging directly in that activity.

Instead of doing so honestly and transparently, the approach taken by this Government, through this device, shows just how badly Government members feel they have handled gas and energy policy in this State. The fact is that these companies are getting a significant financial benefit from engaging in providing money to this fund. The fund is administered by a Government body. The Government could simply allocate the royalties it receives from this source to that fund, consulting the local communities—and doing so directly, rather than engaging in this device.

The Hon. Dr Peter Phelps: Are you supporting royalties for the regions?

The Hon. ADAM SEARLE: If only the member would engage in a proper royalties for the regions program perhaps there would be some more transparency around this. This is simply a public relations stunt and a fraud, and the Government should not get away with it. The Government should rethink its strategy and come up with a more open and transparent process for returning royalties and resources to those areas that are affected by gas exploration and extraction. The Government should not be able to get away with this stunt. Opposition members feel the Government should rethink its strategy and provide the money that otherwise would go into this fund to the gas-affected communities—we do not have a policy objection to that process whatsoever—but the Government should do so openly, honestly and transparently, and not give a financial benefit to companies that are otherwise obliged to make royalty payments to the State and the community.

This regulation simply enables companies to reduce their royalty payment obligations and generate community goodwill at the same time. No-one is stopping those companies from engaging with gas-affected communities. No-one is stopping those companies from making a contribution to the general wellbeing of those communities in the way envisaged by the fund arrangements. And there is nothing stopping this Government from doing that. Instead of doing it openly, honestly and transparently, the Government has engaged in this device. It should not be allowed to do that. The Government should be much more open and transparent. The Opposition supports the disallowance so that the Government can do this again, and do it properly, making sure that there is openness and transparency in these arrangements and not giving a tax deduction to companies otherwise obliged to make royalty payments to the State.

The Hon. Dr PETER PHELPS (18:17): If it were raining gold bullion The Greens would complain. If it were raining gold bullion Labor would complain. The Greens would complain because its members hate society and Labor would complain because its members hate good news. This is good news. The Greens go on about how terrible the extractive industries are for rural communities and how rural industries never get anything back from extractive industries. Yet when we put in place a statutory provision that encourages businesses to give back to those rural communities—not any rural communities; communities in which those businesses are actually working—The Greens complain and complain.

This reminds me of the time when I was at Splendour in the Grass with Jeremy Buckingham's good mate, Frackman. I suggested that it would be great if individual landowners and farmers were able to receive some sort of pecuniary benefit above and beyond the standard amount that they receive as part of a contractual relationship for the use of the land. Frackman said, "That would be terrible, because then every farmer would want gas

extractive industries on their land." In other words, it is not the moral principle that The Greens are concerned about; they are concerned about the fact that, given the opportunity and a financial incentive, people in rural and regional New South Wales would welcome, embrace and encourage extractive industries into their communities. Previously, Labor and The Greens have strongarmed the various extractive industry corporations into giving benevolently. They had to have a social licence. How should they express that social licence? They should do it by giving money to local communities.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Order! Mr Justin Field will remain quiet during the member's contribution. Mr Buckingham has a right of reply and he can exercise that right of reply in due course. The Leader of the Opposition should also contemplate allowing the Hon. Dr Peter Phelps to finish his speech as quickly as possible.

The Hon. Dr PETER PHELPS: It is not good enough that they pay their fair share of corporate taxes or that they pay royalties to the States. You then have to be strongarmed into making these de facto payments to the local community as a way of paying for your social licence. That is a disgrace. It is basically saying you are now imposed with a moral taxation obligation above and beyond your statutory taxation obligations to these communities. This inclusion will recognise those communities that are already receiving a benefit from industries in their local area. It will recompense those businesses that have done the right thing, and that intend to do the right thing by their local communities in the future, by providing additional services, benefits and income for those communities.

I think this is an excellent inclusion in the regulations and, frankly, I am not surprised that The Greens are calling for its disallowance. The Greens hate every extractive industry. If they do not, can they nominate one extractive industry they support wholeheartedly and unreservedly? I am very surprised at the Labor Party, but one comes to realise the days of the old Labor Party that cared about rural communities is dead and gone. The Labor Party is only interested in chasing after the votes of the bourgeois, latte-sipping, elite left vote of those in inner-city Sydney areas.

Mr JEREMY BUCKINGHAM (18:21): In reply: I thank all honourable members for their contributions to this debate. In particular, I thank the Hon. Adam Searle for expressing the support of the Labor Party for what I contend is a very reasonable proposition. The Hon. Dr Peter Phelps should refrain from some of the biscuits that he is having up at Splendour in the Grass because his paranoid delusions are getting bigger and stronger. They are clouding his—

The Hon. Dr Peter Phelps: Point of order: I object to the words "paranoid" and "delusion" in the description of my contribution.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Order! There is no point of order.

Mr JEREMY BUCKINGHAM: It clearly is a paranoid delusion. It will not be long before the honourable member will be in here—

The Hon. Dr Peter Phelps: Point of order: I again take objection to the description of my contribution as paranoid or delusional. Those are both deeply offensive terms that relate to psychological conditions. I ask that the member be called to order.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Order! I will not call the member to order. There is a wider meaning to the terms; it is clearly meant in a more generalised form. Mr Jeremy Buckingham has the call.

Mr JEREMY BUCKINGHAM: And I would not be surprised if—

The Hon. Dr Peter Phelps: I move dissent from the Chair. I withdraw that.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Very well.

Mr JEREMY BUCKINGHAM: The delusions are real. It will not be long before the honourable member will be talking about Agenda 21 and the lizard people running the planet. The Greens are all for regional communities. The Greens support some extractive industries. We support the quarrying of stone, mining for minerals and the metals that run our economy. I challenge members to point to anything on the record that shows The Greens oppose the iron ore industry in total. It is absolutely not there. We recognise the role that coal, gas and other industries have played in the development of our economy but it is ridiculous to boil it down to puerile, stupid arguments as the honourable member has.

It is deeply disappointing to see a new resources and energy Minister spouting the same garbage from the gas industry—namely, that there is some gas crisis in New South Wales or that we need this industry in any way, shape or form. The new Minister would be well advised to read the literature on the economic reality of the

modern gas industry in Australia—namely, the east coast gas crisis precipitated by the mad rush to export gas. The gas supply crisis is a pure construct of the greed of the multinational conglomerates that got into coal seam gas, fracking and unconventional gas in New South Wales and Queensland, and tried to do so in Victoria, and sucked up Australia's conventional and unconventional gas and sold it overseas. That is what has precipitated this.

The community in Narrabri are smarter—indeed, they are a lot smarter than many of the people in this building. They are farmers with the challenges of geopolitics, agribusiness, meteorology, climate change, the vagaries of the weather and the difficulty of agronomy to deal with. In addition, they have the threat of the resources industry coming in. They have assessed that industry and asked, "What compensation would I be paid for this industry coming onto my land?" They have looked at the cost benefit and said, "No deal." They have looked at the bottom line—the impact on land value and the risk to their production. They have looked at what has happened in America. They have looked at the compensation offered by the gas industry and said, "No, thank you. My land is worth much more." The gas industry reverts to bribing those people who are not directly affected. I challenge the new Minister to stand with a cropping farmer anywhere on the Liverpool Plains who is happy to let the gas industry onto their land and who thinks it will be good for production or for the economy. He will not find any.

The Gas Community Benefits Fund that has been set up is purely and simply a bribe—it enables the gas industry to use money that should have been going into government coffers to bribe the community, to put up billboards, to fund football teams and to renew damaged infrastructure. But, worse than that, trucks are running up and down destroying roads and bridges, and the Gas Community Benefits Fund and taxpayers' money are being used to repair the damage. Over the past five years NSW Farmers, Cotton Australia, the National Farmers' Federation and the Thoroughbred Breeders have been critical of coal seam gas exploration. These important organisations, which contribute billions of dollars to gross State product, have said no to coal seam gas exploration.

I bet London to a brick that they will say no again when it comes to Pilliga and Narrabri. They understand what is happening with the gas market in New South Wales. The supply crisis is a result of Federal and State governments rushing into the export industry and scrambling to find any gas they can. Santos has driven its business into the ground because it was too greedy and thought the global gas boom would go on forever. It has been caught out by geopolitics. America, Canada, Russia, which have become major exporters of gas, have fallen flat. So it is very disappointing to have a new Minister spout the lines about the need for a gas industry and defend the public relations budget of Santos. I assure members of the House that the people of New South Wales will not be fooled. The people of Narrabri will not be fooled. They will look at this regulation soberly and in a rational way and say that the cost of this industry is too great. They do not care for the pea-and-shell trick of giving a couple of million dollars to upgrade a bridge, which those opposite may call the "Chris Hartcher memorial bridge". The people of Narrabri will not be sold a pup on the gas plan.

Members can rest assured that there will be blockades in the affected areas. These blockades will not be manned by rent-a-crowds but by salt-of-the-earth farmers who have fed us and powered the New South Wales economy for more than 100 years. They will be the farmers of Coonamble, Narrabri, Boggabri and the Liverpool Plains. They are organising as we sit here. I hope members are prepared for a community that will resist this plan and protest despite the Government's draconian protest laws. This community will not be put off by a few shiny baubles presented by a gas company going to the wall. Coal seam gas is a ridiculous proposition, and the community does not want a community benefit fund because there is no benefit in coal seam gas. It is a massive economic, social and environmental mistake. The people will not be conned. I urge honourable members to consider this disallowance motion and back the community for once, rather than the greed of multinational resource companies.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Mr Jeremy Buckingham has moved under section 41 of the Interpretation Act 1987 that this House disallow division 2 of part 8 of the Petroleum (Onshore) Regulation 2016 published on the New South Wales Legislation website on 12 August 2016. The question is that the disallowance motion be agreed to.

The House divided.

Ayes16
Noes21
Majority.....5

AYES

Buckingham, Mr J
Field, Mr J

Donnelly, Mr G (teller)
Graham, Mr J

Faruqi, Dr M
Mookhey, Mr D

AYES

Moselmane, Mr S
(teller)
Searle, Mr A
Shoebridge, Mr D
Wong, Mr E

Pearson, Mr M
Secord, Mr W
Veitch, Mr M

Primrose, Mr P
Sharpe, Ms P
Voltz, Ms L

NOES

Amato, Mr L
Clarke, Mr D
Farlow, Mr S
Gay, Mr D
Khan, Mr T

Blair, Mr N
Colless, Mr R
Franklin, Mr B (teller)
Green, Mr P
MacDonald, Mr S

Borsak, Mr R
Cusack, Ms C
Gallacher, Mr M
Harwin, Mr D
Maclaren-Jones, Ms N
(teller)
Nile, Reverend F
Taylor, Ms B

Mason-Cox, Mr M
Pearce, Mr G

Mitchell, Ms S
Phelps, Dr P

PAIRS

Houssos, Ms C

Mallard, Mr S

Motion negatived.

The PRESIDENT: I will now leave the chair and cause the bells to be rung at 8.00 p.m.

*Bills***MOTOR RACING LEGISLATION AMENDMENT (NEWCASTLE 500) BILL 2017****First Reading**

Bill received from the Legislative Assembly, and read a first time and ordered to be printed on motion by the Hon. Sarah Mitchell, on behalf of the Hon. Niall Blair.

The Hon. SARAH MITCHELL: On behalf of the Niall Blair: I move:

That standing orders be suspended to allow the passing of the bill through all its remaining stages during the present or any one sitting of the House.

Motion agreed to.

The Hon. SARAH MITCHELL: On behalf of the Hon. Niall Blair: I move:

That the second reading of the bill stand an order of the day for a later hour.

ABORIGINAL LAND RIGHTS AMENDMENT (LOCAL ABORIGINAL LAND COUNCILS) BILL 2016**Second Reading**

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (20:03): I move:

That this bill be now read a second time.

First and foremost, I acknowledge the traditional custodians of the land on which we meet today, the Gadigal people of the Eora nation. I pay my respects to their elders past and present and I also pay my respects to the elders of the other First Nations people of New South Wales and Aboriginal people who might be present today. It gives me great pleasure that one of my first responsibilities as the newly appointed Minister for Aboriginal Affairs is to complete the passage of the Aboriginal Land Rights Amendment (Local Aboriginal Land Councils) Bill 2016 through the Parliament. This is because I recognise the significance and importance of the Aboriginal Land Rights Act to the Aboriginal people of New South Wales. This bill complements other work in my portfolio. As the newly appointed Minister for Aboriginal Affairs, I pay respects to my predecessor, Mrs Leslie Williams, who did a wonderful job in her time as the Minister.

I am committed to continuing the work of Mrs Leslie Williams and also the Government to build upon the momentum of the significant initiatives in Aboriginal affairs reforms in New South Wales, of which this bill is one. Other important initiatives that we work on include Opportunity, Choice, Healing, Responsibility, Empowerment—OCHRE—which is the Government's plan for Aboriginal affairs; the development of draft legislation to acknowledge and protect New South Wales Aboriginal languages, and the establishment of a stolen generations reparation scheme; and a stolen generations advisory committee to monitor and review the implementation of the Government's response to the recommendations of the report of General Purpose Standing Committee No. 3 on reparations for the stolen generations in New South Wales, entitled "Unfinished business". Those matters are of critical importance to my portfolio and to Aboriginal people across New South Wales. I will speak to the House in more detail about those matters another day. Today the focus is on this bill.

I turn to the provisions of the bill. The amendments contained in the bill will enable the intention and purpose of the Aboriginal Land Rights Act to be further realised. The bill empowers the land council network to address governance and capacity-building issues and has the potential to prevent the need for more direct interventions in the affairs of local Aboriginal land councils. The purpose of the Aboriginal Land Rights Act is:

- (a) to provide land rights for Aboriginal persons in New South Wales,
- (b) to provide for representative Aboriginal land councils in New South Wales,
- (c) to vest land in those Councils,
- (d) to provide for the acquisition of land, and the management of land and other assets and investments, by or for those Councils and the allocation of funds to and by those Councils,
- (e) to provide for the provision of community benefits schemes by or on behalf of those Councils.

Meeting those provisions is made possible through the work of the 120 representative local Aboriginal land councils that represent the interests of those members and the broader Aboriginal population in their areas to provide economic, social and cultural benefit to their communities. This work is supported by the New South Wales Aboriginal Land Council, which regulates, oversees, funds and supports local Aboriginal land councils. It is therefore only when the 120 local Aboriginal land councils have capacity-building support, good corporate governance and access to assistance that the principles and intent of the Aboriginal Land Rights Act can be fully realised for the benefit of Aboriginal people in New South Wales.

This bill introduces improvements to the Aboriginal Land Rights Act that aim to refine and enhance the regulatory structures and mechanisms of the Act and provide better means to build the capacity and strength of local Aboriginal land councils, and the staff and elected officials who run them. The bill provides that the New South Wales Aboriginal Land Council will be provided with the authority to issue a performance improvement order to a local Aboriginal land council if it is satisfied that action must be taken to improve the performance of the local Aboriginal land council. A performance improvement order may, or may not, also provide for the appointment of an adviser.

Those new mechanisms and the policy intention behind the bill will enhance the intervention and compliance framework in the Aboriginal Land Rights Act, particularly in the way that advisers can be appointed to assist local Aboriginal land council boards to implement improvement orders. The intention is to make early midway intervention available when local Aboriginal land councils need assistance to comply with the regulatory and operational requirements of the land rights Act. Since 2007, section 234 of the Aboriginal Land Rights Act has empowered the Minister for Aboriginal Affairs to appoint advisers to boards of local Aboriginal land councils on the recommendation of the Registrar of the New South Wales Aboriginal Land Council. However, this provision has never been used because it is ambiguous about the role and actual powers of advisers in relation to the statutory functions of boards of land councils and so its application has been unclear.

In addition, the current provision to appoint an adviser under section 234 of the Act does not specify the repercussions for a local Aboriginal land council if it fails to follow an adviser's advice. These amendments make the advice provisions clearer and provide the regulators, particularly the New South Wales Aboriginal Land Council, with additional but less punitive tools to support Aboriginal land councils. Compliance with the performance improvement order is the responsibility of the board of the local Aboriginal land council. A land council will only be deemed compliant with a performance improvement order if the action taken, including any actions required to be taken by individual board members, is taken to the satisfaction of the New South Wales Aboriginal Land Council.

The board of the local Aboriginal land council must supply a report, called a compliance report, on the steps it has taken to implement the order to the New South Wales Aboriginal Land Council. If an adviser has been appointed, the adviser will also be required to comment on the land council's compliance report. A copy of the report must also be provided to the land council's members at the first meeting of the land council held after the

report is submitted to the New South Wales Aboriginal Land Council. This will provide an important accountability mechanism and transparency to the members of the land council concerned.

The effectiveness of improvement orders, which is the centrepiece of the amendments in this bill, coupled with the option of appointing advisers, is to provide ways for local Aboriginal land councils to actively participate in their own regulatory oversight and recovery. Where there are councils or individuals who do not want to comply or follow good practice, then a more interventionist step—such as the appointment of an administrator—can be considered. The proposed amendments will make for a midway and more cost-effective intervention mechanism to assist councils to comply with the regulatory and operational requirements of the land rights Act.

Another important benefit of the bill relates to cost. Over the past 10 years approximately \$9.8 million has been spent on remuneration paid to administrators. All costs of appointed administrators are paid by the New South Wales Aboriginal Land Council, which may recover them from local Aboriginal land councils, creating a debt by local Aboriginal land councils to be paid off over time. The implementation of these amendments will provide a lower-cost and less interventionist option in the NSW Aboriginal Land Council's regulation of local Aboriginal land councils. The operation of the amendments will redirect moneys to flexible early intervention alternatives to implement capacity-building initiatives at a lower cost. The proposed amendments contained in the bill are modelled on the improved intervention mechanisms that were introduced into the Local Government Act in 2013.

I acknowledge and appreciate the support for this bill by the Opposition in the Legislative Assembly, and, as expressed in that Chamber by the member for Wyong, David Harris, on behalf of the Opposition, the "great work" of my predecessor the member for Port Macquarie, Leslie Williams, in developing the bill. I also note the comments of the member for Wyong that several land councils had expressed to him their view that, while there had been good consultation on the bill by the New South Wales Aboriginal Land Council, consultation might have been more extensive. I say in response to the member for Wyong that consultation on the proposed Performance Improvement Framework in the bill were held in seven locations across New South Wales, and was attended by the chief executive officers [CEOs] and at least one, and often more, board members of the great majority of the 120 local Aboriginal land councils.

The performance of their statutory functions by CEOs and board members is the most likely target of performance improvement orders. It is the responsibility of the elected representatives and chief executive officers of land councils who attended consultations to take that information back to their fellow staff and board members. Equally significantly, with respect to consultation, I am advised that the land council network—including members and elected officials—expressed a view at consultation forums in 2012 and 2013, in discussing amendments to the Land Rights Act, that the mode of interventions in the affairs of local Aboriginal land councils should be reconsidered and remodelled; that more cost-effective and less disruptive interventions in local land councils' affairs should be introduced; and that the New South Wales Aboriginal Land Council have a more prominent and support-focused role in interventions.

This bill represents fulfilment of those preferences by local Aboriginal land councils. It represents a reflective and constructive response to the network. And, as previously mentioned, under Section 234C, a land council will need to provide the New South Wales Aboriginal Land Council with a written compliance report outlining how it has complied with a performance improvement order. In addition, a copy must be provided to members of the local Aboriginal land council at the first council meeting held after the report is delivered to the New South Wales Aboriginal Land Council. This ensures that the elected board maintains accountability to the members who they were elected to represent.

The bill also includes an amendment to Section 52 that gives local Aboriginal land councils the discretion to establish, acquire, operate or manage related corporate entities under either the Commonwealth Corporations (Aboriginal and Torres Strait Islander) Act 2006—otherwise known as the CATSI Act—or the Corporations Act 2001, at their discretion. The CATSI Act and the Corporations Act 2001 have different statutory compliance requirements. This amendment will give local Aboriginal land councils the power to choose how they want to register any corporation associated with the land council, dependent upon their needs and the differing resources and capabilities of each land council. Allowing local Aboriginal land councils to incorporate related entities under the Corporations Act 2001, or the CATSI Act, will provide greater scope and flexibility for land councils and third parties to establish business enterprises.

I want to make some comments on the relevance of the New South Wales Government's plan for Aboriginal Affairs—OCHRE—to the bill amending the Aboriginal Land Rights Act that is before the House. OCHRE stands for Opportunity, Choice, Healing, Responsibility and Empowerment. It was developed following a Ministerial Taskforce on Aboriginal Affairs, which was established by the then Premier and the then Minister for Aboriginal Affairs in late 2011. OCHRE represents a new approach to working with Aboriginal communities

that is based on genuine partnerships and the devolution of power. I am committed to the community-led principles of OCHRE.

The establishment of the Aboriginal Land Rights Act in 1983 represented a major step to provide land rights to the Aboriginal people of New South Wales. The Act created a network of Aboriginal land councils and provides the mechanism for them to claim and manage land as compensation for historic dispossession and to provide economic, social, and cultural benefit to their communities. The principle of self-determination underpins the Act. Over the course of its history and development, the legislation has progressively increased the power and local decision-making elements of its intents and purposes to Aboriginal people. Apart from a regulatory regime of statutory reporting requirements, the legislation provides for a self-funded and self-regulated network of independent Aboriginal land councils.

Because of this, the land council network plays a crucial role in fostering self-determination in Aboriginal communities. The amendment bill, which provides a mechanism for early intervention in the affairs of land councils, will ultimately increase the financial and operational efficiencies in the network. This amendment bill is a significant step towards increasing the financial and operational efficiency of the network. It redirects funding—currently being spent on costly administrators—to flexible, early intervention alternatives to implement capacity-building initiatives at a lower cost and with wider application to better outcomes for the Aboriginal community of New South Wales. The scope of land councils' activities is increasing, including the scope of their engagement with the mainstream economy. It is crucial that, as their operations broaden, their capacity increases.

I conclude by stating that these amendments to the Aboriginal Land Rights Act provide a critical framework to support and build the capacity of the land council network across New South Wales. Strengthening land councils' governance and capacity will, in turn, support the realisation of economic development opportunities throughout the network for the benefit of the Aboriginal community of New South Wales. I thank those who were involved in the development of this bill prior to my taking on the role as Minister, including the New South Wales Aboriginal Land Council—in particular, Roy Ah-See and the Deputy Chair Anne Dennis, for their assistance. I also thank the staff of Aboriginal Affairs NSW, who have been crucial to the development of this bill. The bill will enable local Aboriginal land councils to realise the vision for their communities—for Aboriginal communities that are prosperous and strong socially, economically and culturally. I commend the bill to the House.

The Hon. MICK VEITCH (20:15): This is the first time I have spoken in the House during this session of Parliament, so I congratulate the President on his ascension to the highest office in this Chamber. I also extend my congratulations to the new Minister at the table, Minister Mitchell. I look forward to working with her in a number of her portfolio areas. On behalf of the Opposition, I support the Aboriginal Land Rights Amendment (Local Aboriginal Land Councils) Bill 2016 and acknowledge that today we meet on the traditional lands of the Gadigal people of the Eora nation. The New South Wales Aboriginal Land Rights Act enables Aboriginal communities to claim certain Crown land and, where granted, to hold those lands in freehold title. In New South Wales, 120 local Aboriginal land councils represent the interests of their members and the Aboriginal populations in their regions. They aim to provide economic, social and cultural benefits to their communities, which is no small task. Despite the difficult nature of their work, the Aboriginal community and New South Wales Aboriginal Land Council members have endeavoured to fulfil the goals and objectives of the Act.

The New South Wales Land Rights Act, one of the most significant pieces of legislation in the world introduced by the Wran Government in 1983, is one of the first significant attempts to rectify some of the displacement of the first peoples in this State. That significant piece of legislation is one that this side of the House is rightfully proud of. After careful consultation and consideration, Labor will support this bill. Section 234 of the Aboriginal Land Rights Act has provided the Minister for Aboriginal Affairs with the power to appoint advisers to the boards of local Aboriginal land councils on the recommendation of the registrar or the New South Wales Aboriginal Land Council. However, that provision has never been used, its application is uncertain, and the role and powers of advisers is unclear. The section 234 provision to appoint an adviser does not specify the repercussions for a local Aboriginal land council if it fails to follow such advice. The amendments in this bill should make the adviser provisions clearer.

The Opposition believes the bill is in line with the objectives of the Aboriginal Land Rights Act, and applicable regulatory and governance legislation. The amendments aim to give the New South Wales Aboriginal Land Council more rights as a regulator of local land councils by empowering them to issue performance improvement orders and to appoint advisers to local Aboriginal land councils. The purpose of these measures is to enable a less interventionist approach by the Minister for Aboriginal Affairs and to further empower Aboriginal people to manage land councils. These measures, unlike the powers currently available to the Minister, will enable effective early intervention measures prior to any major breach of corporate governance when it occurs.

The effectiveness of improvement orders—the centrepiece of the amendments in this bill—coupled with the option of appointing advisors will provide local Aboriginal land councils with an opportunity to actively participate in their own regulatory oversight and recovery. Where there are councils or individuals who do not want to comply or follow good practice, then an interventionist step, such as the appointment of an administrator, can still be considered. The proposed amendments will make for a balanced and more cost-effective intervention mechanism to assist councils with regulatory and operational compliance to the Aboriginal Land Rights Act.

Since March 2015, the Minister has appointed administrators to four different local land councils due to failures to comply with existing regulations. As land councils have become subject to increased regulation and accountability measures without the expansion of institutional knowledge, this problem has increased markedly. It is in the spirit of self-determination that amendments such as this are necessary. It is fundamental that the Act facilitates an effective framework that will allow for Aboriginal land councils to manage their lands effectively and legally with minimal direct intervention from the Government.

The New South Wales Aboriginal Land Council will always be better equipped to support local land councils in the early stages of significant compliance failures. It is armed with unique cultural understanding and institutional knowledge, and is the most sensible body to which these early intervention regulatory powers can be delegated. The proposed performance improvement orders to be issued to local Aboriginal land councils are designed to give council members greater oversight of the performance and provide transparency to the governance, performance and diligence of their elected boards. The bill contains provisions for the payment of appointed advisers. They will be paid a salary determined by the New South Wales Aboriginal Land Council out of that council's funds. The cost of advisers may be recovered by the local Aboriginal land council concerned at the discretion of the New South Wales Aboriginal Land Council, which will look at its ability to pay the fees.

The bill makes it clear that the board and the members of the land council are to cooperate with the adviser during their term of appointment, including providing any information or assistance the adviser reasonably requires to exercise his or her functions. It also stipulates that the local Aboriginal land council is to give an adviser the opportunity to review a compliance report at least 14 days prior to the submission of the report to the New South Wales Aboriginal Land Council. The report will be submitted together with the adviser's comments, if any, on the compliance report. These provisions are sound and the Opposition supports them. It is essential that the Aboriginal community and the wider New South Wales community have faith in the administration of the Aboriginal Land Rights Act. Intervening before problems manifest will better serve the relationship between local land councils and the community. The former Minister for Aboriginal Affairs indicated that the Government wanted improved but less frequent interventions in local land councils. The Opposition contends this amendment will serve that end.

As noted, this amendment still allows the Minister responsible to intervene in land councils, if necessary. This is a necessary oversight function that ensures the Government continues to be accountable for effective management of the Aboriginal Land Rights Act 1983. While it is hoped that these interventions will be less frequent, it is no less important today than when the Act was first introduced in 1983 that the elected Government be accountable for that important part of the reconciliation process. It is also important to note that the Government expects this amendment to be cost positive or cost neutral. This is the case because late-stage interventions ordered by the Minister are anticipated to be more expensive than early intervention.

The bill outlines further amendments to other parts of the Act. The amendment to section 52 gives local Aboriginal land councils the discretion to establish, acquire, operate or manage related corporate entities under either the Commonwealth Corporations (Aboriginal and Torres Strait Islander) Act 2006 or the Corporations Act 2001 at their discretion. The two pieces of legislation have different statutory compliance requirements. This will give local Aboriginal land councils the power to choose how they want to register any corporation associated with the land council, dependent upon their needs and their differing resources and capabilities. This will provide greater scope and flexibility for local Aboriginal land councils and third parties to set up Aboriginal enterprises. Local land councils are currently prevented from incorporating related entities under the Corporations Act 2001 without approval from the New South Wales Aboriginal Land Council. This amendment will hopefully cut the red tape and is supported.

Additional and minor amendments are also being made to sections 231 and 223B of the Act. The amendments to section 231 will clarify the powers of administrators in relation to boards when the terms of their appointment are extended. The amendments to section 223B will clarify the powers of interim administrators to make clear that appointees can exercise all or specific functions of local Aboriginal land councils or local Aboriginal land council boards, or exercise only specific parts of those functions. The Opposition supports those changes. The Opposition is pleased that the Government consulted with the New South Wales Aboriginal Land Council through the process of drafting this amendment bill. The land council is very supportive of the proposed changes and emphasised the need to implement them.

As stated by the member for Wyong in the other place, however, we would have liked to see more consultation with local land councils because of the effect this legislation will have on them. Several local land councils felt that there was good consultation with the State body, but not necessarily the same level of consultation with the people who will be affected. In her second reading speech I noted that the Minister addressed that. We hope that, as the changes in the amendment bill take effect, the Government will communicate appropriately those changes and their implications to all 120 local land councils. The bill introduces necessary amendments that will strengthen the Aboriginal Land Rights Act 1983, and the Labor Opposition fully supports them. We commend the bill to the House.

Mr DAVID SHOEBRIDGE (20:24): On behalf of The Greens, I indicate our support for the Aboriginal Land Rights Amendment (Local Aboriginal Land Councils) Bill 2016, noting that we are standing on Gadigal land. I pay my respects to the elders past and present of the land on which we meet. Like the rest of this State, this land always was and always will be Aboriginal land. When The Greens review measures relating to Aboriginal land rights and land councils we commence our analysis by considering the extent to which the bill complies with the principle of self-determination. Does it give power back to Aboriginal people to determine their affairs and what they do with their assets and resources in their communities? On those crucial tests this bill gets a big green tick.

The bill hands power to the New South Wales Aboriginal Land Council [NSWALC] to allow the Aboriginal community through its peak body to intervene where it thinks appropriate and to work with local Aboriginal land councils where necessary to put in place advisers to assist them to get their affairs back in order. The bill gives the power to the democratically elected peak body for Aboriginal people in New South Wales and not to the registrar, whether or not the registrar is an Aboriginal person. It does not hand the power to a statutory office controlled by the Executive or to the Minister, who is most often a non-Aboriginal person. We say that handing power to the New South Wales Aboriginal Land Council is a positive step forward in self-determination and that is the principal basis upon which we support this bill. I indicate my respect for former Minister Williams. She was not a flashy Minister who engaged in large amounts of self-promotion; she knuckled down and did good work. I can think of a number of areas in which she did that. This bill is the result of the work of a Minister who did her job, and I commend her for it.

The bill has four key objects. The first is to authorise the New South Wales Aboriginal Land Council to make a performance improvement order to a local Aboriginal land council if NSWALC considers action must be taken to improve the performance of the local Aboriginal land council. I will deal with that in slightly more detail in a moment. The bill also restores the authority of local Aboriginal land councils to own and operate corporations, which I will touch upon briefly, as well as clarifies the role and functions of an administrator or interim administrator appointed to an Aboriginal land council. I believe the observations of the Minister and the Opposition adequately identify that aspect of the bill, so I will not go into it in more detail. The bill also provides for the payment of an interim administrator. As expected, the New South Wales Aboriginal Land Council is a strong supporter of the bill. It has been working with the Government to try to come up with these measures since the 2012 review.

As we often see in matters involving the regulation or interests of the first peoples of this State, it seems to take a long time for governments to get the collective will to bring in legislation. I think all participants in the 2012 review would have liked action within less than four years. Nevertheless, the review included detailed consultation with local Aboriginal land councils around the State and the New South Wales Aboriginal Land Council. Amongst other things, the review found that the intervention mechanisms in the Aboriginal Land Rights Act, being the appointment of administrators, investigators and advisers, needed to be reconsidered. The fundamental concern was that administrators represented an extremely heavy-handed and expensive response, but they were really the only viable tool in the toolkit. Rather than working with a local Aboriginal land council that was having trouble, the Act effectively said to wait for it to fall over first peoples, then sack it, put in an administrator and go to a vast amount of expense to try to bring things back after 12 or 24 months of the administrator being in place. That has not worked.

Any of us who has been observing the sector could probably point to a couple of land councils in particular that have been cycling through administrators. They have an administrator in for 12 months, but nothing seems to get fixed culturally. They have an election, they have a board that goes for two years and, bang, they have another administrator. This cycle appears to be repeating, and there has to be some way of breaking it. The method proposed in this regard is to allow the New South Wales Aboriginal Land Council, when it sees a problem or a need to build capacity—which often comes about through its financial oversight of Aboriginal land councils, although sometimes it comes about through reporting from the community—to instigate a performance improvement order process instead of having to go to the Minister or petitioning the registrar to perhaps seek to have an administrator put in place when things go pear shaped.

I know this has been taken from the Local Government Act, and I think many people have questions about how effectively it works in local government when there seems to be some politicisation. But The Greens support the basic structure in local government, and we support the concept of performance improvement orders for local Aboriginal councils. The proposed part 11, division 4, will put in place a performance improvement orders process, and I am grateful for the summary provided by the New South Wales Aboriginal Land Council. First, it authorises the New South Wales Aboriginal Land Council to issue performance improvement orders to local Aboriginal land councils if NSWALC reasonably considers, having considered criteria that are to be prescribed in the regulations, that action is needed to improve the performance of a local Aboriginal land council. Again, the decision is being made by a democratically elected Aboriginal body, which is a good thing because it incorporates self-determination.

Secondly, it requires local Aboriginal land council boards to ensure that the land council and the board, as well as individual board members and, where there is one, the chief executive officer of the land council to comply with a performance improvement order and carry out the actions set out in the performance improvement order. That means that there is a compliance mechanism. Thirdly, it requires local Aboriginal land councils to report to the New South Wales Aboriginal Land Council and its members on the compliance with the performance improvement order. Fourthly, it authorises the New South Wales Aboriginal Land Council to appoint an adviser to advise and assist a board of a local Aboriginal land council that has been issued with a performance improvement order. Lastly, it requires a local Aboriginal land council and the board and staff to cooperate with an appointed adviser. In other words, this process puts in place someone to work with the land council to try to get things back on track before they go pear shaped.

The Greens believe this is a positive step forward. Are there problems in land councils? Of course there are. Is there politics in the Aboriginal community? Of course there is. Is there politics in the non-Aboriginal community? Of course there is. Are there problems in the non-Aboriginal community? Of course there are. Who is normally best at sorting out problems in the Aboriginal community? It is the Aboriginal people themselves. Too often reporting about land councils focuses upon failures, problems, divisions. I can tell you there are land councils all across this State—and somewhere like Darkinjung comes to mind. I do not pretend I agree with everything Darkinjung does; we probably have issues with some of its development applications. But it is a well-run, democratically responsible local Aboriginal land council getting on with the business of helping local Aboriginal people in that area.

I commend Darkinjung for that, and I commend the work many Aboriginal land councils do around New South Wales. They often face difficult local politics—we know that all local politics is difficult. Aboriginal land councils have constrained resources and work in tough communities, but they get on and do the work, and we need to put in place structures that assist them in doing their work, rather than just whacking them when they make mistakes. We need to assist them through self-determination, first and foremost, and that is why we support this bill.

Reverend the Hon. FRED NILE (20:33): On behalf of the Christian Democratic Party I wish to make a policy statement on the Aboriginal Land Rights (Local Aboriginal Councils) Bill 2016, and my colleague the Hon. Paul Green will deal with the details of this legislation. I am very pleased to support this bill. The bill amends the Aboriginal Land Rights Act 1983. As members will remember, this is a unique Act of Parliament that established a network of Aboriginal land councils. It provided a mechanism for them to claim and manage land as compensation for historic dispossession and to provide economic, social and cultural benefit to their communities.

I am probably the only member of the House who was present during the debate in 1983. I had been elected in 1981 and there had been some minor controversies in 1981 through to 1983, but 1983 was when the explosion happened when the Aboriginal land rights legislation was introduced by the Labor Government at the time. That legislation was strongly opposed by the Liberal and the National parties; they fought it vehemently every inch of the way. I was like the ham in the sandwich—the new boy working out where to go with this legislation. I had a lot of support for my election in 1981 from the country regions and from farming areas, but they were all terrified that this Aboriginal land rights legislation meant that Aboriginal people would be able to claim their farm and they would lose their private land. Of course, the legislation did nothing of the sort; it was to enable claims to be made on Crown land.

But there was a lot of misinformation and a lot of people were very fearful. I received many threatening letters saying that I must not vote for the legislation and that if I did I would lose the votes that I had achieved in 1981. The threats meant that almost 50 per cent of my support would go if I voted for the legislation. I studied the legislation and I prayed about it. I always had a very strong identification with Aboriginal people prior to coming into Parliament and I have worked closely with Aboriginal pastors, churches, the church at La Perouse and so on. So working with Aboriginal people was not a new experience for me.

I believed the original 1983 bill was a right and just piece of legislation and that I could not do anything but vote for it and support it enthusiastically, which I did—and I probably did lose 50 per cent of my support because of it. I should not quote figures but I did have a very high vote—I think 1.25 million votes, which I have never achieved again—and I think I lost that support because I voted for this legislation. But I believe it was the right and proper thing to do and it has provided a base for Aboriginal people in this State and in other States to follow in the same steps.

I have had a lot to do with the New South Wales Aboriginal Land Council and local councils over the years, meeting with them and visiting the country centres where they are operating, and fighting here in this House in recent years for them to have opportunities to develop their commercial activities. That is why I am pleased that this legislation speaks about an opportunity for corporations to be established. It is good for Aboriginal people to become self-supporting economically—to develop the land that they get and provide economic value to their communities. It is another plus for this legislation. My only criticism is the land claims that Aboriginal people have put in have been delayed for so many years—some for 20 years—and I think that is a disgrace.

I know the Government is working to speed up that process, but it is not an option for the Government to take its time; I believe it is a priority to have claims processed quickly. It is no good having legislation that is not enforced. It will take a lot of the tension out of the whole Aboriginal land rights issue when Aboriginal communities feel that Parliament has done the right thing and that claims have been agreed to where they are justified, so that Aboriginal people can get on with their lives in their communities and, where possible, in the economic process. On behalf of the Christian Democratic Party, I am very pleased to support this bill.

The Hon. PAUL GREEN (20:38): I look forward to the day that we revisit the votes of 1,250,000 for our party—hopefully that day is to come! I speak on behalf of the Christian Democratic Party on the Aboriginal Land Rights Amendment (Local Aboriginal Land Councils) Bill 2016, and I acknowledge the custodians of this land, the Gadigal clan of the Eora nation. The objective of the bill is to amend the Aboriginal Land Rights Act 1983 in respect of: performance improvement orders and advisors for local Aboriginal land councils; restoring the authority of the local Aboriginal land councils to own and operate corporations; clarifying the role and functions of an administrator or interim administrator appointed to an Aboriginal land council; and providing for the payment of an interim administrator.

In 2012 the Minister for Aboriginal Affairs commissioned a review into the Aboriginal Land Rights Act 1983 and appointed a working group of six to conduct the review. The working group was required to submit its findings and recommendations and, where possible, to provide proposals for improving the Act. The review, in consultation with local Aboriginal land councils, concluded that the intervention mechanisms in the Aboriginal Land Rights Act, particularly the appointment of administrators, investigators and advisors, needed to be reconsidered, a more cost-effective intervention prior to administration is needed, and the New South Wales Aboriginal Land Council needs to have greater oversight with respect to interventions.

Earlier this week I met with the New South Wales Aboriginal Land Council and it advised me that administrators, as the principal mechanism of the current legislative interventions framework, are costly and poorly targeted at issues of capacity, performance and community governance. In comparison, the bill's proposed mechanisms enhance self-regulation and are more cost-effectively targeted at capacity, performance and governance issues that emerge where the voluntary support of New South Wales Aboriginal Land Council is rejected. The New South Wales Aboriginal Land Council went on to say that allowing other people to become advisors was "fixing the symptom, not the cause".

It is more important to have the experience and knowledge of local people, tribes, groups, lands et cetera. The New South Wales Aboriginal Land Council was not happy with the 2014 amendments to the Aboriginal Land Rights Act, which restricted the ability of local Aboriginal land councils to use corporations. It remains strongly opposed to the detrimental and discriminatory restrictions imposed in 2014. The New South Wales Aboriginal Land Council also expressed its pleasure that this bill amends section 52 of the Aboriginal Land Rights Act to give local Aboriginal land councils the ability to pursue economic development opportunities. The Minister in the other place stated:

The purpose of this bill is to provide an alternative mechanism—a mechanism that is more supportive and proactive, and which will address and rectify capacity and compliance issues at an early stage.

The New South Wales Aboriginal Land Council supports the amendments in the Aboriginal Land Rights Amendment (Local Aboriginal Land Councils) Bill 2016. The Christian Democratic Party concurs with the Minister and the New South Wales Aboriginal Land Council and commends the bill to the House. My final reflection is that the Standing Committee on State Development recently finished an investigation into economic opportunities for Aboriginal people. It is shameful that, although we will hand land back to Aboriginal people—

the original people of this land—we will shackle it with our "white man's" boundaries and continue to tell them what they can do with that land.

Until we get to a place where Aboriginal people have absolute autonomy and can be captain of the ship, I believe they will not get to where they want to be, which is to be totally self-reliant, to feed and educate future generations, and to enjoy some of the most prosperous times this State has seen. They have been short of that goal. I am sure that, as we continue to work towards amendments like these, we will see prosperity for these people through their capacity to be self-determining and self-providing in the way that many of us dream of. Until that time, I commend the bill to the House.

Reverend the Hon. FRED NILE (20:44): I seek leave to clarify a figure that I quoted in my speech.

Leave granted.

Reverend the Hon. FRED NILE: The correct figure was 248,425 primary votes.

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (20:44): On behalf of the Hon. Niall Blair: In reply: I thank all members for their genuine contributions to this debate—the Hon. Mick Veitch, Mr David Shoebridge, Reverend the Hon. Fred Nile and the Hon. Paul Green. As I stressed earlier, the importance of the Aboriginal Land Rights Amendment (Local Aboriginal Land Councils) Bill 2016 is as a tool to improve capacity in local Aboriginal land councils and to strengthen their effectiveness in pursuing land rights and the economic benefits that can flow from land assets gained under the Land Rights Act.

The bill reflects the Government's commitment to capacity building and the refinement and enhancement of the regulatory structures and mechanisms of the Aboriginal Land Rights Act 1983 that it will provide. The New South Wales Aboriginal land council network is uniquely positioned as the vehicle to create not only economic prosperity but also social and cultural prosperity in the Aboriginal communities that they represent. Yet the Aboriginal land council network can increasingly play this role only if it has the opportunity to build on its existing capacity. The purpose of the Aboriginal Land Rights Act is not only to provide a mechanism to claim and manage land as compensation for historic dispossession; land rights also promised to provide a basis for economic, social and cultural revival of the Aboriginal community in New South Wales.

As I have already explained to the House, at the heart of the amendment bill is the introduction of a framework for low-cost, early intervention in the affairs of local Aboriginal land councils that are identified as requiring strengthened governance capacity. It provides an alternative to the highly interventionist and costly alternative of appointing administrators and formalises the capacity-building and resultant economic prosperity potential of the Act. The amendment bill requires no additional funding. In fact, it is envisaged that the money the New South Wales Aboriginal Land Council currently spends on administrators will be redirected into flexible early intervention alternatives. This expenditure will implement capacity-building initiatives at a lower cost, with potential for savings and a wider reach to more land councils in obtaining support and development.

There is clearly an opportunity to improve the current system and to provide an early intervention option that can build the capacity of a land council long before the need may arise to consider the appointment of an administrator. This is the time to do this. In addition, as I said in my second reading speech, the amendment to section 52 of the Aboriginal Land Rights Act gives local Aboriginal land councils the discretion to establish, to acquire, to operate or to manage related corporate entities. It will provide greater scope and flexibility for land councils and third parties to set up Aboriginal enterprises.

In conclusion, again I thank all key players who have invested their time and expertise in the development of this bill, including the previous registrar of the Aboriginal Land Rights Act and staff of Aboriginal Affairs. Most importantly, I express my deepest thanks to the New South Wales Aboriginal Land Council, especially chairperson Roy Ah-See. I acknowledge also the work of the previous New South Wales Aboriginal Land Council chief executive officer, Les Turner, and Stephen Hynd of the land council's policy and reform team for their openness and spirit of collaboration in developing the proposed amendments in this bill. Without the expertise of the council, including sharing its findings from consultation forums with the network of local Aboriginal land councils, the bill would lack the sound policy settings to make the amendments contained in it work in practice. The amendments in the bill will provide a strong platform that will help the network of 120 local Aboriginal land councils in New South Wales lead Aboriginal people and the broader community of New South Wales into a better future. I commend the bill to the House.

The PRESIDENT: The question is that this bill be now read a second time.

Motion agreed to.

Third Reading

The Hon. SARAH MITCHELL: On behalf of the Hon. Niall Blair: I move:

That this bill be now read a third time.

Motion agreed to.

**TRANSPORT ADMINISTRATION AMENDMENT (INDEPENDENT TRANSPORT SAFETY
REGULATOR) BILL 2017**

First Reading

Bill received from the Legislative Assembly, and read a first time and ordered to be printed on motion by the Hon. Niall Blair, on behalf of the Hon. Don Harwin.

The Hon. NIALL BLAIR: On behalf of the Hon. Don Harwin: I move:

That standing orders be suspended to allow the passing of the bill through all its remaining stages during the present or any one sitting of the House.

Motion agreed to.

The Hon. NIALL BLAIR: On behalf of the Hon. Don Harwin: I move:

That the second reading of the bill stand an order of the day for a the next sitting day.

Motion agreed to.

RETAIL LEASES AMENDMENT (REVIEW) BILL 2016

Second Reading

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (20:50): I move:

That this bill be now read a second time.

The bill amends the Retail Leases Act 1994. These amendments will ensure the Act increases transparency and certainty in the New South Wales retail leasing sector. The amendments will improve the standards of conduct between the parties to a retail lease as well as increase the operational efficiency of the Act by simplifying its key processes. The Retail Leases Act 1994 was introduced to help level the playing field between tenants and landlords of retail shop leases. It was a significant reform to safeguard the rights of parties to retail tenancy agreements. At the core of the Act is a dispute resolution mechanism to help parties resolve the vast majority of their disputes without having to go to court. As we all know, the cost of litigation is prohibitive for small businesses. An important business relationship will not survive a dispute that leads to litigation or indeed a court battle.

Now, more than 20 years later, we find that the combination of having a legislative framework and the provision of free strategic and procedural advice with a low-cost mediation service offered by the NSW Small Business Commissioner has been a resounding success. The Act is a testament to the foresight of those who pushed the first bill. In 1994, as now, the Government was reluctant to interfere in commercial dealings by introducing legislation. The introduction of the Act was a direct response to the economic exploitation of some tenants that resulted from power imbalances between the parties.

The Act introduced protective measures for tenants whose businesses are location sensitive. For example, a law practice that moves from Burwood into the central business district [CBD] is likely to take most of its clients as well as increase its customer base, but this is not so with a cafe. As we know, the planning framework in New South Wales limits the ability for small business to set up in any location. The ability for a tenant to strike a bargain with a landlord on a fair basis is the cornerstone of any successful retail business. The protective measures of the Act apply equally to landlords, as many landlords are themselves small businesses. They might be self-funded retirees or individuals with their savings tied up in bricks and mortar. Without a clear framework for how a retail leasing relationship should be conducted, everyone except the lawyers will lose. The retail market contributes significantly to the New South Wales economy. According to Australian Bureau of Statistics data, there are more than 44,500 retail businesses in New South Wales, of which 96 per cent are small businesses.

The data available to measure the number of retail leases is poor. The retail industry accounts for almost 390,000 jobs and \$36 billion in annual sales. The retail industry is dynamic and constantly evolving in response to disruptive technologies and consumer trends. The cost of leasing affordability presents a significant challenge for New South Wales retailers. Shops are located in shopping centres, local communities, shopping strips, standalone premises, strata buildings and large format retail centres. The trend is for landlords of shops in local communities and in shopping strips to increasingly report high vacancy rates. These landlords are directly

impacted by the growth and increasing popularity of shopping centres. The market power of large shopping centres—which represent about 20 per cent of retail space—is based on the concentration of centre ownership by a select group of companies. The shops in centres generate a higher proportion of revenue due to the traffic flow generated either by having a large number and variety of shops, the anchor tenant, such as a supermarket or department store, and/or transport services that are co-located.

A corporate landlord who owns sought-after retail premises and has access to a vast array of market information is able to force high rents to deliver high yields for investors. These high yields come at a cost to small business operators and the consumers of New South Wales. Demand for limited retail space in Sydney's central business district has driven up rents to the point that in 2015 only four other cities—New York, Hong Kong, London and Paris—are able to charge more rent than is paid in our own Pitt Street Mall. As small businesses are the backbone and indeed the heartbeat of the New South Wales economy, in order to support the growth and sustainability of the retail industry the Government must ensure that the protective measures of the Act remain relevant. The Act must be amended in response to the needs of an industry that is undergoing rapid and significant change. The amendments proposed are the result of an extensive, multi-tiered consultation process. As in every review of this Act, tenants consistently advocate for greater government intervention in the leasing relationship. Conversely, landlords advocate for less regulation.

The Act, combined with the services delivered by the office of the NSW Small Business Commissioner, ensures that important safeguards are provided for this industry. However, an updated and strong regulatory framework is needed to promote equity in the bargaining positions between tenants and landlords, to increase transparency and to provide certainty of each party's rights and obligations. I appreciate that the review of the Retail Leases Act 1994 has taken a considerable amount of time to complete. The review was undertaken by the office of the NSW Small Business Commissioner [OSBC], which incorporates the former Retail Tenancy Unit.

For decades the Retail Tenancy Unit has assisted both landlords and tenants with information about the Act, together with dispute resolution and strategic and procedural advice when they face problems. Assistance is provided to all sectors of the retail leasing industry, which includes landlords and tenants, their legal and financial advisers, real estate agents, leasing consultants, and industry associations. The OSBC understands better than any other agency the issues facing the retail leasing sector from both the landlord's and tenant's perspective. Its retail industry insight and dispute prevention expertise enables it to understand the issues that industry faces.

The Government has listened to industry. The amendments were developed in response to concerns raised by stakeholders through an extensive, multilayered consultation process that consisted of a large and diverse working group, written submissions, multiple industry and regional forums, an online survey and individual and group stakeholder meetings. The consultation process was extensive to ensure that all stakeholders had an opportunity to contribute and to ensure that the smaller voices were heard alongside the stronger industry advocates. It has been a difficult review, which has sought to reach a consensus on issues where stakeholder interests are in opposition to each other. It has not always been possible to reach a consensus and, as a result, many amendments have not progressed and, where they have, further amendment has been negotiated by stakeholders.

In an industry that has divergent views, those stakeholders who were either landlords or representatives of landlords tended to take a view that was invariably at odds with those of retail tenants and their representatives on almost every issue. Industry associations representing shopping centres and retail shopping centre tenants have negotiated to resolve some issues by consensus, and the resulting amendments are therefore expected to meet the needs of the broad range of stakeholders in this industry. Where possible, the Government has encouraged industry to develop its own solutions to some of the concerns identified in the course of the review. The Retail Leases Amendment Review Bill 2016 will inform the Retail Leases Act 1994 to ensure that it remains effective into the future. The bill takes a practical approach to the inevitable tensions between the needs of landlords, tenants and their commercial rights.

The bill will amend the Act to increase transparency and certainty of the deal during the negotiation stage. It ensures that landlords must disclose certain costs in some detail before the tenant is bound to the lease. It will improve access to justice and remedies by increasing the financial jurisdiction of the NSW Civil and Administrative Tribunal to deal with the greater number of matters, and empowering NCAT to award compensation to a party who suffers harm as a result of breaches of some new provisions of the Act by their counterpart to a retail lease. The bill will increase operational efficiency by simplifying the processes of starting or transferring a retail lease, and it repeals unnecessary provisions and makes various technical amendments to improve the operation of the Act.

Turning first to the proposed amendments relating to increased transparency and certainty of the deal during the negotiation stage of a lease, the bill makes amendments to clarify the landlord's disclosure obligations. All landlords will know what needs to be disclosed and tenants will understand what they are committing to before

being legally bound to a deal. The Government is committed to ensuring the original intent of Parliament for upfront disclosure of the financial cost of the lease to be mandated as a foundation of the Act. The inability to plan businesses and manage cash flow greatly increases the chance of failure, particularly for a small business. Incomplete or inaccurate disclosure is the source of a substantial number of disputes. The actual amount charged for outgoings can vary substantially from the estimates provided.

The disclosure obligation in the Act, when interpreted by NCAT, identified a loophole that has been exploited by some unscrupulous landlords. The bill clarifies the obligation for landlords to disclose certain terms of the lease at least seven days before a tenant is committed to a lease. The amendments make it clear that tenants are not liable for undisclosed outgoings with one exception—an outgoing in the nature of a tax, rate or levy that is imposed by or under an Act after the lessor's or landlord's disclosure statement is given, and that it was not an outgoing of the lessor when the lessor's disclosure statement was given. Advertising and promotion costs are not outgoings for this purpose.

The bill provides that if a lessor's disclosure statement provides an estimate of the amount of an outgoing and there was no reasonable basis for the estimate—for example, the costs from the previous year—the tenant's liability for the outgoing will be limited to the estimated amount and future increases in the outgoing will be limited by reference to the estimate amount. To illustrate what this means, imagine the landlord estimates that a tenant's contribution for land tax will be \$1,000 per quarter but the actual cost is \$2,000. This represents a variation of 100 per cent. Therefore, the tenant will be liable for only 50 per cent of the actual amount of the outgoing throughout the term of the lease.

A breach by the landlord of the obligation to disclose the outgoings is dealt with by reducing the tenant's liability for outgoings. Estimates for disclosure of outgoings are for the first year of the lease and landlords must be able to generate accurate estimates. This amendment means that landlords are required to provide an accurate disclosure of outgoings for the first year. Where an actual cost is not available, a landlord must have a reasonable basis for making an accurate estimate. For example, if an increase in land tax occurs due to a redevelopment, developers are able to obtain estimates of the variation from the Valuer-General and estimate increases in land tax accordingly to tenants.

The purpose of this amendment is to prevent the burden of inaccurate disclosure by landlords being put on the tenant. When there are other breaches to the disclosure obligations, such as a failure to disclose when the lease for the anchor tenant expires, the NSW Civil and Administrative Tribunal can award compensation to put the tenant back into the position they would have been in if proper disclosure had been made. Under the current Act, landlords are able to recover non-disclosed outgoings and potentially charge a higher rent than if the tenant factored in the actual costs of the outgoings. A tenant's only alternative for improper disclosure in the current Act is to walk away from the lease and all of their sunk investment within the first six months. In fact, if a tenant walks away, the landlord benefits from the fit-out work funded by the tenant and they can charge a new tenant higher rent. Without compensating the tenant for their lost investment, such as expensive fit-outs, the current remedy is inadequate.

The amendments allow NCAT to order the rectification of a lease or lessor's disclosure statement to correct an error or omission, giving effect to the intention of the parties when the lease was entered into or reflecting the actual disclosure of information between the parties if the disclosure requirements of the Act are otherwise met. This is particularly important if the landlord sells the building or if the tenant sells the business and the new party does not know the original deal that was struck. These changes are consistent with the Act's objective of ensuring that parties enter into a lease from the best possible negotiating position, with certainty and the information necessary to make effective business decisions. These reforms provide incentives for landlords to share the important information they hold and for disclosure statements to be accurate. This change will minimise disputes over outgoings and the detriment caused to tenants who are liable for costs they have not been able to budget for properly.

These amendments are consistent with the key recommendations in the 2008 Productivity Commission report to encourage transparency in dealings with between landlords and tenants. One of the principal imbalances between landlords and retail tenants during negotiations relates to market information. This includes access to information about the value of leases in the market, the turnover a lease is likely to produce, and the landlord's collection and use of tenants' turnover figures. The result of this imbalance is that the tenants feel that landlords hold all the important industry information and tenants are flying blind. In the current situation tenants are unable to conduct due diligence in their business dealings and are therefore unable to negotiate reasonable and informed contracts.

As a result of this review, industry stakeholders have worked together and an outcome has been achieved to increase access to market information. I commend the Australian Retailers Association, the National Retail Association, the Pharmacy Guild of Australia and the Shopping Centre Council of Australia for having reached

an agreement on the voluntary Retail Industry Code of Practice—the Reporting of Sales and Occupancy Costs. This code is an agreement on the collection and sharing of industry information. There is an implicit duty of good faith within the code, and these associations are now working together in a collaborative way. Consistent with the New South Wales Government's objectives to let industry develop its own solutions to issues, these parties have found consensus on some of the issues.

Landlords and tenants will remain free to negotiate the terms they choose, with better access to information. The code will support enhanced competition for retailing space and more market-based outcomes from rent negotiations. The code is a voluntary industry code, industry led and industry developed. The voluntary industry code is not referenced in the amendment bill and will not be referenced in the Retail Leases Act. The Government listened to industry stakeholders, who said that they did not want a mandatory code and did not want the heavy hand of government dealing with this issue. I understand that the signatories to the code have one or two matters to finalise, such as whether the code will adjust sales for the goods and services tax.

Industry players have told us that they do not want the Government intervening if industry can negotiate solutions. If the code cannot address these issues successfully, the Government will revisit the earlier proposal of the review to develop a mandatory code prescribed by the Act to manage the collection and reporting of turnover data. The bill recognises that retail is a dynamic industry and that as shopping moves online there is a shift in the way the industry operates. Some tenants are required to report their turnover. This can be a significant issue when a sale comes through an online portal. First, if a tenant has multiple locations, which landlord has the right to the online sales information? Secondly, if the goods are not collected or delivered from the shop, should any landlord have the right to access the information—and charge rent—for an online sale?

The bill provides that a tenant cannot be required to provide the landlord with information about online transactions except for transactions where goods or services are delivered or provided from or at the retail shop or retail shopping centre of which the shop forms part or where the transaction takes place while the customer is at the retail shop. Additionally, the bill provides that for the purposes of determination of rent by reference to turnover, "turnover" does not include information about online transactions—other than transactions where goods or services are delivered or provided from, or at the retail shop, or retail shopping centre of which the shop forms part, or where the transaction takes place while the customer is at the retail shop, for example shoes, "customised" on a store device in store before being ordered from the store.

Turning from the proposals that increase transparency, I will now outline the second area of amendments. The bill amends the financial jurisdiction of the NSW Civil and Administrative Tribunal to increase it from \$400,000 to \$750,000. This acknowledges increases in the cost of leasing and, coupled with a broader range of remedies, will improve access to justice by enabling NCAT to deal with a greater number of matters. Where the only mechanism to have your problem dealt with will cost hundreds of thousands of dollars, the outcome is uncertain and likely to take a number of years, and justice is seen to be controlled by the powerful party. The solicitor for a powerful party once said:

I think my client probably did do the wrong thing, but I don't think the small business can afford to run the case.

If they spend \$30,000 or \$40,000 with a solicitor then we will talk about compensation.

As the majority of disputes are settled through mediation, it is unlikely that the amendments will produce any long-term increase in litigation. The final amendments in the bill relate to increasing the operational efficiency of the Act by streamlining processes, repealing unnecessary provisions and effecting various technical amendments. The bill consolidates and streamlines provisions relating to the process for obtaining a landlord's consent to assign a lease. The amendments remove confusion by separating the processes for assignment from the process for obtaining protection from any ongoing liability after a lease has been transferred. The current Act is not sufficiently clear on the assignment requirements, which has led to conflicting outcomes in the case law and created a minefield for litigation. The path to assignment is simplified to enable tenants to transfer the leases and/or sell their businesses and ensure the landlord gets a new tenant that meets the landlord's requirements to be a tenant in that shop.

Under the current system, landlords can decide what type of tenant they require. They can require that a certain level of capital is available or a certain level of retailing experience. The shop cannot be passed on to someone with less experience or financial resources without the landlord's express consent. The bill amends the Act to make it clear that the point in time when a proposed assignee's financial resources and retailing will be assessed against those of the tenant is at the time the lease is assigned. This amendment will assist tenants who want to sell a business that is not doing well, because it will lower the standard that the landlord can hold the new tenant to when assessing whether to consent to an assignment. This will assist tenants to assign their leases when retail businesses are sold on retail strips where there are high vacancy rates.

Conversely, if a landlord is willing to take a punt on someone just starting out who later becomes a success, they will not be compelled to consent to an assignment to a tenant with unproven skills like those of the proposed assignor at the beginning of their lease. Whether it is more or less advantageous to a landlord for a tenant to be assessed at the beginning or the end of the relationship will depend on the landlord's circumstances, and the skills and financial resources of the tenant who wishes to assign their lease. In addition, particular locations, especially those with public significance, bring complexity to the issue of assignment. There are instances in which a tender process may require a security clearance to ensure that a tenant is considered as a fit and proper person, and any other issues may weigh heavily on a public tendering process. The amendments recognise that a landlord may impose these types of requirements for employees of a retail shop, and that landlords who award leases by a public tender process may require any proposed tenant to be held to the same criteria.

The bill will also introduce the requirement for landlords to register leases for a term of more than three years, and for a tenant to be provided with an executed copy of the lease. The time for registration has been extended to three months after the tenant has executed and returned the lease to the landlord because having a lease with multiple landlords and a mortgagor is not always a simple process. Lease registration provides a fundamental protection for a tenant's investment in a retail business against transfers in the ownership of the building. Failure to register a lease greatly weakens the position of retail tenants if a landlord sells the premises or a mortgagee takes possession of the property.

Industry stakeholders have raised concerns regarding hundreds of unregistered leases in major suburban and regional shopping centres. The bill introduces a requirement for a copy of the executed lease to be provided to a tenant within three months of the tenant providing an executed copy to the landlord or landlord's agent. Tenants are disadvantaged when they are denied a copy of the lease, which is required by franchisors or a lending facility to secure finance. The largely unregulated nature of bank guarantees has resulted in poor practice among some landlords and agents. At the end of a lease, by delaying the return of a bank guarantee document, landlords can limit a tenant's ability to raise capital to finance a new business or to move to a new location. This happens by simply holding on to the document that is a bank's commitment to unquestioningly provide a tenant's funds on demand.

Bank guarantees have been used by some unscrupulous landlords as leverage to pressure a tenant into settling a dispute and accepting a less favourable outcome. Others have drawn down on bank guarantees for illegitimate purposes unrelated to a tenant's performance of obligations under a lease, such as the landlord's own cash flow problems. At other times, the return of a piece of paper is just not a priority for an agent or landlord who is possibly annoyed that the tenant found another shop to rent. Seeking an order from NCAT for the landlord's use of a bank guarantee for an illegitimate purpose is a costly exercise that is a difficult option for most tenants. Landlords, who fail to return a bank guarantee within two months of a tenant completing performance of their obligations under a lease will be subject to a penalty, and NCAT may make an order to return funds they are not entitled to keep.

One of the key recommendations in the 2008 Productivity Commission report was that clear requirements for bank guarantees should be established to improve transparency and certainty in retail lease relationships. The bill clarifies when demolition clauses can be triggered. This addresses landlords' uncertainty as to when their use is legitimate. Demolition clauses in leases require a tenant to vacate the premises so that the demolition of a substantial part of the building can take place. The bill makes it clear that lessee protections under the Act in relation to termination on the grounds of proposed demolition of a building of which the retail shop forms part extend to proposed demolition of any part of the building, and that termination on the grounds of proposed demolition is only permissible when demolition requires vacant possession of the shop.

The bill's amendment will eliminate concern that a landlord cannot use a demolition clause unless the whole building is being demolished, yet prevent the use of demolition clauses to terminate a tenant's business for an illegitimate purpose. Demolition clauses are frequently used to change tenancy mixes and deny tenants their property rights in favour of another tenant. When used unjustly, it means a landlord can use a demolition clause as a trigger to terminate a lease if a tenant offering a higher rent wants the tenant's shop, yet the tenant is committed to a lease agreement for three to six years with no ability to terminate the lease, regardless of how things are going.

The bill also makes a number of amendments to clarify provisions in the Act that have been the source of disputes over differing interpretations. The amendments clarify when leases in an office tower will come under the operation of the Act by removing an exception from the Act for premises in an office tower that forms part of a retail shopping centre, on the basis that the exception is unnecessary because an office tower does not form part of a retail shopping centre merely because it is in the same building as, or is above, the retail shopping centre. A food court or shopping precinct of an office tower is capable of being separately distinguished from the office tower for the purpose of the operation of the Act.

The bill also makes it clear that a landlord cannot recover from a tenant the cost of obtaining a mortgagee's consent to a lease. A number of amendments to operational provisions enable the transition of the Retail Bond Scheme as part of a new digital platform with a contract management system and secure escrow holding service. This is a very exciting development that members will learn more about soon. The bill repeals the minimum five-year term for retail leases, transfers the administrative process for the appointment of specialist retail valuers to determine rent disputes from NCAT to the registrar, and repeals redundant references to stamp duty. The Government is committed to reducing red tape for industry. By repealing the minimum five-year term, streamlining assignment and disclosure processes and clarifying provisions, the New South Wales Government is reducing red tape for the retail leasing industry.

In terms of the transitional provisions in the bill, clause 38 of schedule 3 provides that an amendment extends to a lease entered into, and a disclosure statement given, before the commencement of the amendment except as otherwise provided by the schedule. It would be inaccurate to say that the amendments to streamline and clarify provisions will apply retrospectively as they do not amend the rights and obligations of parties but merely restate the existing policy intention of the provisions. For example, a tenant could not go back and collect their mortgagee consent fees for the past 11 years because clause 45 of schedule 3 provides that new sections 14 and 45 do not apply to the seeking or accepting of payment of expenses incurred in connection with obtaining the consent of a mortgagee before the commencement of the amendment made by the bill to the definition of lease preparation expenses in new section 3.

The following amendments will only apply to new leases entered into after the commencement of the provision: disclosure statement amendments; execution and registration of leases; return of bank guarantees; and the repeal of the minimum five-year term. The Government has undertaken an extensive period of consultation on the amendments. The amendments represent the outcome of the most substantive review of the Act since it was introduced in 1994. The bill introduces amendments that were put forward by the industry and developed through a lengthy and multi-tiered consultation process. Following the consultation period, the office of the NSW Small Business Commissioner has engaged extensively with industry and government stakeholders to determine sensitivities and test recommendations. The proposed amendments have been developed in conjunction with stakeholders in the sector.

As mentioned earlier, the major industry associations including the National Australian Retail Association, the Pharmacy Guild of Australia, the Retailers Association and the Shopping Centre Council of Australia have been actively involved in the process on particular points concerning leases in shopping centres. Some amendments have not progressed due to the lack of consensus by the major stakeholders representing large landlords and retailers in large shopping centres. Industry associations support the amendments to the Act that relate to their members: The key amendments that are needed to allow small business operators, be they landlords or tenants, to make and keep their deals as leases are the lifeblood of the retail leasing industry. In summary, the bill introduces important reforms to support the future of small businesses in the retail industry. I commend the bill to the House.

The Hon. LYNDIA VOLTZ (21:24): On behalf of the Opposition, I contribute to the debate on the Retail Leases Amendment Review Bill 2016. As the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry has noted, this bill gives effect to recommendations that arose from the statutory review of the Retail Leases Act 1994 and includes conferring a right to compensation on a lessee who terminates a retail shop lease during the first six months pursuant to the current right of the lessee to terminate in certain circumstances. It requires full disclosure in the lessor's disclosure statement of any obligation of the lessee to contribute to the lessor's outgoings and to prevent the recovery from a lessee of outgoings that are not disclosed. It requires the registration of a retail shop lease that is for a term of more than three years and requires lodgement for registration within three months after the lease is executed. It excludes premises used wholly for certain non-retail purposes from the scope of the Act.

The bill makes clear that a lessor is not entitled to recover any expenses involved in the lessor obtaining the consent of the mortgagee of the premises leased. It removes the requirement for a five-year minimum term for retail shop leases and requires a lessor to return a bank guarantee to the lessee within two months after the lessee has performed all obligations secured by the bank guarantee. We have waited a long time for this bill to come before the Parliament. There was a three-year consultation process, and stakeholders at some stages expressed concern this bill would never come before the Parliament. It was unexpectedly read in the other Chamber on 8 November 2016, so there has not been a lot of time for us to look at the amendments in the legislation. However, given the time stakeholders have waited for this bill to come before the Parliament, whilst the Opposition would have liked to have brought some amendments with a view to making a lot of changes that stakeholders are keen to have implemented, we will support the passage of this legislation.

All sides of the Chamber recognise the economic importance of small business, particularly the retail sector, in New South Wales. It is a large employer of women and there are many small retail businesses owned and operated by women. Therefore members of the Opposition are anxious to ensure that this legislation passes through both Houses of this Parliament. However, I wish to highlight some of the concerns in regard to this legislation that have been raised by the Labor Party and stakeholders. I note that the second reading speech in this Chamber is different from the second reading speech delivered by the Deputy Premier, Minister for Regional New South Wales, Minister for Skills, and Minister for Small Business, John Barilaro, in the other place. I have not studied the speeches closely, but I believe the differences may be due to some of the concerns raised by Opposition members in the lower House having been cleared up. However, as this may not be the case, I will reiterate our concerns, particularly the disclosure of outgoings in new section 12A.

This section of the bill requires full disclosure in the lessor's disclosure statement of any obligation of the lessee to contribute to the lessor's outgoings and to prevent the recovery from a lessee of outgoings that are not disclosed. Whilst this is a worthwhile and important aspect of the legislation, there are some concerns with it. The legislation is designed to stop the retailer's outgoings from increasing due to poor business planning by the landlord. An example may be not including a reasonable increase in wages for security costs or for some increase in the cost of utilities. In his second reading speech in the other House, the Minister referred specifically to a doubling in land tax as being unreasonable. I note that the Minister in this House addressed this issue, but in the lower House the Minister stated:

Future increases in the outgoing will be limited by reference to the estimated amount—for example, the cost from the previous year. To illustrate what this means, imagine the landlord estimates that a tenant's contribution for land tax will be \$1,000 per quarter but the actual cost is \$2,000. This represents a variation of 100 per cent. Therefore, the tenant will be liable for only 50 per cent of the actual amount of the outgoing throughout the term of the lease. Given that this is subject to statutory determinations beyond the control of the landlord and at the whim of the Government, this would appear to be one of the few examples of reasonable grounds to increase outgoings. Another example is the Government's proposed new emergency services property levy, which is scheduled to commence on 1 July 2017. However, it has not yet been legislated and applicable levy rates have not been released. This exposes both the retailer and the landlord to more avenues of conflict over what is reasonable. It could be seen to be shifting a disproportionate amount of risk onto the landlord where they are price takers—for example, statutory charges such as rates, land tax, electricity and water. The Shopping Centre Council had requested that this section be removed in full or moved to a more relevant section of the Act. But, as I have stated, given the other changes made in the Act, the Opposition will not pursue any amendments.

Section 16 is repealed and therefore removes the requirement for a five-year minimum term for retail leases. There is disagreement amongst various stakeholder groups regarding this amendment. Some of the stakeholders believe the minimum five-year term should be maintained as it provides certainty and security to tenants. The minimum five-year term was a key reform introduced by the Act due to concerns that some landlords may have been taking advantage of retail tenants: letting for relatively short terms and, on expiration, re-letting at a premium to a competitor of that tenant. The legislation also brings shops that are part of office spaces into the legislation; for instance, the food court at the bottom of the MLC Centre tower, which many in this place would be familiar with, or underneath the Deutsche Bank building. The current wording to include the retail space in office towers such as the MLC Centre tower and Deutsche Bank, et cetera, could be interpreted as referring to non-retailers and non-retail floor space.

While the Minister's second reading speech in the other House confirms that this is not the intention of the bill, and that was the understanding of all parties, legal advice obtained by the Shopping Centre Council indicates some concerns with that interpretation. I note that in his second reading speech the Minister said retrospectivity would not apply because of the expenses that would be incurred before the commencement of this amendment. However, the bill aims to provide additional protections for lessees and contains amendments to the current Act, which reflect consensus amongst stakeholders. That has been perceived as a fault in the drafting of the bill. The bill proposes to insert a part 7 in schedule 3 to the Retail Leases Act 1994. New section 38 in this proposed part reads:

An amendment made by the 2016 amending Act extends to a lease entered into, and a disclosure statement given, before the commencement of the amendment except as otherwise provided by this Schedule.

The Law Society of New South Wales has expressed concern with the formulation of this new section as the retrospectivity may be unworkable and may lead to unfair outcomes, particularly as there are some exemptions that could lead to uncertainty. More broadly, the Law Society opposes the retrospectivity on general principle, viewing the new section as potentially compromising the rule of law, and suggests that such a provision should be given a much more limited scope. Hopefully, the second reading speech in this Chamber and the reference to item [45] in some way satisfies the concerns in regard to retrospectivity.

Overall, there are benefits within this legislation that would clearly benefit retailers, and they include more clarity in relation to the sale of an existing business through reform of the assignment criteria, and the provision of certainty with regard to how bank guarantees are treated by landlords, not only providing clear notice

periods before calling in such security but also, importantly, the timely return to the lessee at lease end or assignment. The introduction of the Code of Conduct—Sales Reporting will provide more transparent market data around occupancy costs and improved research capabilities. The introduction of mandatory lease registration will supply the opportunity for lessees to perform effective investigations into commercial markets and support sound business decision-making. All those benefits create the opportunity to improve the transparency of the market for retail leases in New South Wales. My colleague in the other House Jenny Aitchison, the member for Maitland, and the shadow Minister, has spoken to many stakeholders, and the Opposition will support the bill in its current form.

Reverend the Hon. FRED NILE (21:34): On behalf of the Christian Democratic Party I indicate support for the Retail Leases Amendment (Review) Bill 2016. In many ways these improvements are long overdue. We are all aware of the tension between lessees in shopping centres and the owners of the shopping centres that has existed for a number of years. I am very pleased that this bill has been introduced by the Government because it will amend the Retail Leases Act 1994 to increase transparency and certainty of the deal during the negotiation stage. It ensures that landlords must disclose all costs in some detail before a tenant is bound to the lease. It will also improve enforcement and remedies by empowering the NSW Civil and Administrative Tribunal to award compensation and increase operational efficiency by supplying the process of starting or transferring retail leases. This will put the minds of many retail shop owners at rest, since many feel victims of some landlords. This bill will put everybody onto the same basis and bring about fairness and justice. The Christian Democrats support this bill.

Mr JUSTIN FIELD (21:35): I speak on behalf of The Greens on the Retail Leases Amendment (Review) Bill 2016. The Greens support this bill and recognise that the primary outcome will be to strengthen the hand of small businesses when entering into a lease with a landlord for the purposes of operating a small retail business in New South Wales. The bill amends the Retail Leases Act 1994 in response to a review of the Act conducted by the Small Business Commissioner. Its changes will impact a large number of people in New South Wales. There are just fewer than 700,000 small businesses in this State—I appreciate not all of them are retail businesses—and collectively they employ 1.5 million people.

The bill has a variety of components, including improving transparency and information disclosure in favour of shopping centre tenants who lease from large shopping centre owners. It will also improve access to enforcement and remedies as well as refine operational procedures. Knowing and managing costs are critical to any small business. The changes provided for in the bill to require any outgoings a lessor will seek to recover from a lessee in a disclosure statement are a step in the right direction to ensure a lessor cannot take advantage of a small business owner in that regard. The definitions around outgoings will also be clarified by the bill, which is a good thing.

We support the updates and clarifications of terms and procedures, as well as increases to flexibility through the bill. It is right that more small businesses will be able to seek justice and remedies through the NSW Civil and Administrative Tribunal [NCAT] as it is less expensive and simpler than going through the courts. We also support the change that landlords will be compelled to register leases for a term of more than three years and for the tenant to be provided with an executed copy of the lease. This addresses the information and power asymmetry when landlords can fail to register a lease and tenants are placed in a vulnerable position. At the moment there are potentially hundreds of unregistered leases in major suburban and regional shopping centres.

The bill will also seek to strengthen the competitiveness of New South Wales small businesses operating online by determining that online transactions, whereby the goods are not collected or not provided by the shop where the transaction takes place while the customer is at the shop, cannot be included in turnover data where rents are linked. It also prevents leases requiring a lessee to provide that information. Turnover must be linked to the building to be included, and we think that is appropriate. This will ensure that businesses engaging in the online marketplace are not unfairly impacted upon by rent increases.

I ask the Minister if he can clarify the management of these arrangements in his speech in reply as it is foreseeable that disputes may be difficult to determine, given the data provided by a business and given that profits excluded as an online transaction may conflict with tax return information and given that how that is determined in the event of a dispute is worth considering. It is a worthy goal to ensure businesses are not unfairly charged rent for business not conducted in the shop, but it would not serve businesses to be caught in disputes with shopping centre owners. I can understand why small business wants a level playing field when it comes to online transactions to better compete in the global market and not face additional rental costs not fairly associated with their online business.

The Greens will support this bill. It is a step in the right direction. My wife is a small business owner—not a retail business owner—and I have a small understanding of the critical nature of the relationship between landlord and business owner when running a small business. It cannot be one based solely on goodwill, though

that is important. It must be based on fair rules and laws where disputes can be fairly dealt with at low cost. Rent is a significant cost of running any small business and the property owner has significant power over the future of the business. Balancing what is currently a power imbalance is the responsibility of this place. Ensuring the law protects the rights of both lessees and lessors and makes clear the responsibilities of both is important, and I think the law will be improved in that regard by this bill. I commend the bill to the House.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:40): In reply: I thank all honourable members for their contributions to the second reading debate. I particularly acknowledge the Hon. Lynda Voltz, Reverend the Hon. Fred Nile and the Hon. Justin Field. I appreciate that the review of the Retail Leases Act 1994 has taken a considerable amount of time to complete. The consultation process was an extensive, multilayered process to ensure that all stakeholders had an opportunity to contribute. It has been a difficult review that sought to reach a consensus on issues where stakeholder interests are in opposition to each other.

The Government recognises that a landlord does not have a crystal ball to predict expenses years into the future and landlords are required to share information they have access to but that a tenant does not. Some members have raised the amendments to disclosure of outgoings by saying that increases should not be borne by landlords. Estimates for disclosure of outgoings are for the first year of the lease and landlords must be able to generate accurate estimates. This amendment means that landlords are required to provide accurate disclosures for outgoings for that first year.

Nevertheless, in relation to concerns that large developers and shopping centres might not be able to pass on the increase in land tax to tenants following redevelopment, the Government's advice is that if an increase in land tax occurs due to a redevelopment, developers are able to obtain estimates of the valuation from the Valuer General and estimate accordingly the increase in land tax to tenants. This would form a reasonable basis for the purpose of the Act. These landlords are not left in the dark and left to bear a huge cost. The purpose of this amendment is to prevent the burden of inaccurate disclosures by landlords being put on to the tenant.

In response to providing a reasonable estimate for a greenfield site, organisations such as the Property Council of Australia and the Shopping Centre Council of Australia collate extensive and detailed benchmarks of shopping centre operating costs which provide shopping centre landlords with breakdowns of common costs for each tier of a shopping centre, including non-statutory, quasi-statutory and other common costs. This data is essential to landlords and are used to keep operating costs of shopping centres down to maximise investor returns or retail space yields.

This benchmarking data enables landlords to apportion costs between tenants and can be used to estimate a tenant's liability for the proportion of a charge. A landlord is required to provide a reasonable estimate of the outgoings, and industry benchmarking data is expected to meet this test. I note that issues have been raised by some members in relation to amendments to landlords' obligations to disclose outgoings. Proposed new section 12A (3) of the bill was crafted specifically to address the concerns about landlords as price takers for government levies; that is, statutory charges such as rates, land tax, electricity and water.

In the second reading speech the example was used of a landlord disclosing half of the cost of land tax and wanting to recover the full cost, which was twice the amount disclosed. Where a landlord has information, he or she needs to reasonably disclose it. Where the landlord does not have the information, a carve out in proposed new section 12A (3) has been provided. Tenants require access to as much information as is reasonably available at the start of the lease, information to which only a landlord has access. The biggest repeal of the minimum term has been raised in this debate. The minimum five-year lease term was introduced in 1994 to ensure that retail tenants had certainty about the length of the lease, allowing them to make sound investment decisions.

However, these provisions allowed the parties to contract out of the minimum term if the tenant obtains a legal certificate. The other problem with a five-year lease term is that, with the current cost of fitting out a shop, this is frequently not a long enough period to recoup the investment. Tenants were calling out for a longer minimum term or an automatic right of renewal at the end of the lease. An unintended consequence of the existing minimum term provisions means tenants are required to spend time and hundreds of dollars to obtain a certificate which provides little if any increase in certainty or a change to the duration of the lease.

As discussed earlier, the 2008 Productivity Commission report recommended that governments remove key restrictions in retail tenancy legislation that provide no improvement in operational efficiency, particularly when compared with the broader market for commercial tenancies. Research into the average duration of leases found that comparatively New South Wales and Queensland had similar leasing terms despite Queensland no longer requiring a five-year minimum. The retail industry associations that supported the initial requirement advised government they no longer felt it was an effective mechanism. Unless government was willing to go

further on the "end of lease" issue and provide further rights to the tenants, these associations felt the five-year term which could be contracted out of was not worth keeping.

Members have referred to a concern that the amendment to the office tower exclusion may cause office towers to be inadvertently captured by the Act. The clear advice given to government is that the definition of a retail shopping centre makes it clear that an office tower is not a shopping centre. We are advised that changes are unnecessary because the interpretational issue raised by the Shopping Centre Council of Australia is resolved in the drafting. This is also a concern of the NSW Business Chamber. If directed by Parliament, the parliamentary draftsmen may modify the draft in a way that they had been unwilling to until now.

Regarding the questions raised about the retrospectivity of the bill, the Government's advice is that the amendments to the Act will not be retrospective. Clause 38 of schedule 3 provides that an amendment applies to an existing lease or disclosure statement given before the commencement of the amendment except as otherwise provided by the schedule. It would be inaccurate to say that the amendments to streamline and clarify provisions will apply retrospectively as they do not amend the rights and obligations of parties but merely restate the existing policy intention of the provisions.

Clause 39 of schedule 3 provides that section 12A does not apply to a lease entered into before the commencement of that section. Proposed section 11 (2A) extends to the termination of a lease that was entered into before the commencement of the subsection but does not apply to the termination of a lease that occurs before that commencement. An amendment made to schedule 2 or 2A by the 2016 amending Act does not apply to a disclosure statement given before the commencement of the amendment. For example, a tenant could not go back and collect their mortgagee consent fees for the past 11 years because clause 45 of schedule 3 provides—and this is something that was covered in the second reading debate—that sections 14 and 45 do not apply to the seeking or accepting of payment of expenses incurred in connection with obtaining the consent of a mortgagee before the commencement of the amendment made by the 2016 amending Act to the definition of lease preparation expenses in section 3.

The following amendments will apply only to new leases entered into after the commencement of the provision: disclosure statement amendments, execution and registration of leases, bank guarantees, the repeal of the minimum five-year term, expenses of obtaining consent of mortgagees, and the amendment in relation to preventing revenue from online sales being included in turnover. Mr Justin Field raised a concern about whether the exceptions to the Act's prohibition on the collection of turnover data from online sales will be flexible enough for the rapidly changing models of retailing. Retail is a dynamic industry. As shopping is moving online, the way the industry operates is shifting. The Government has listened to landlords and tenants. The turnover of a business is important information for landlords who use it to manage tenancy mix in a shopping centre. Turnover information is commercially sensitive for tenants. The revenue from online sales may not be connected with a bricks-and-mortar store or even with one particular retail business.

Without government intervention the disclosure of online sales may be required under a lease whether or not it is connected to a particular store. This bill strikes a balance between the legitimate commercial interests of landlords and tenants by prohibiting landlords from collecting and using online turnover information to set rents where the online sales do not touch the shop. Where the goods or services are delivered or provided from at the shop, or where the transaction takes place while the customer is in the retail premises, the online transactions are allowed to be captured in turnover reports.

The bill takes a balanced approach to ensure that the drafting of the provision is not so broad that it captures all online sales of a tenant that are not connected to a shop. For example, if the drafting stated that the online sale only had to be referable to a shop, an online sale for goods of a particular brand name could inadvertently capture any and all shops of the same name. Another adverse consequence of broader drafting could be that tenants with multiple shops with various shopping centre landlords end up paying turnover rent to multiple landlords for every online sale.

This provision was the subject of extensive discussion, revision and refinement with the Deputy Premier's Office and the current drafting was a negotiated outcome. To provide maximum flexibility in relation to use of turnover data, provisions can be made in regulation. This means protection for tenants whose landlords are not signatories to the voluntary code. The voices of the smaller retailers have not been as strong as those of the larger landlords in this legislative review. Smaller retailers have not been at the forefront of negotiating refinements to provisions that take into account their concerns. For this reason the bill has taken a measured incremental approach to address the concerns of stakeholders who often hold diversely different positions for each of the issues. Many of the concerns raised in this debate have been taken into account during the drafting process and a number of subsequent refinements and amendments have been made to each of the bill's provisions.

It has been a complex process to finely balance the divergent interests of stakeholders. Any subsequent amendment runs the risk of eroding the bill's underlying protections. Small businesses are the backbone of this State. The Government must take a bipartisan approach to support them and ensure that they have an environment in which they can flourish. This bill will help to make doing business easier. I commend the Deputy Premier for the work he has done in relation to this bill. The second reading debate has shown that throughout the consultation process and during negotiations there have been differing views as to how the review should proceed. The Deputy Premier should be commended for allowing the industry to discuss the issues and return with solutions. The voluntary code of practice outlines the outcomes that can be achieved when different industry sectors work together to reach a resolution. The Deputy Premier has addressed the stakeholders' concerns throughout a complex negotiation process. I commend the bill to the House.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): The question is that this bill be now read a second time.

Motion agreed to.

Third Reading

The Hon. NIALL BLAIR: I move:

That this bill be now read a third time.

Motion agreed to.

Adjournment Debate

ADJOURNMENT

The Hon. NIALL BLAIR: I move:

That this House do now adjourn.

DEFENCE INDUSTRY STRATEGY

The Hon. GREG PEARCE (21:54): Today in question time members heard from the Hon. Niall Blair that the Government launched its New South Wales defence industry strategy this morning. I commend Minister Blair and also Mr Anthony Roberts who, in his capacity as industry Minister, undertook considerable work in the preparation of this strategy and in the uplift of interest and support for the defence industry in New South Wales. This strategy is to be taken in context with the 2016 Defence white paper of the Federal Government, under which it is providing an unprecedented investment of \$195 billion to modernise our defence forces. This investment ensures that we contribute to our export potential through developing defence industries that will enable us to focus on technology and development. It will also establish that export is a large part of what is traditionally thought of as sovereign security.

Defence today is very much a part of a changing world. The investment by the Federal Government to increase the defence budget to 2 per cent of Australia's gross domestic product by 2021 is a significant move to support industry export, particularly technology, in this State. New South Wales is a key player, and represents one-third of our defence capacity. It is fair to say that in the last couple of decades New South Wales did not put the effort and priority into defence that it should have done. In my capacity as chair of the Parliamentary Friends of Defence, I am very interested in this issue. I thank Mr Anthony Roberts for inviting me to join him on a tour of HMAS *Canberra* in late November. We were hosted by Rear Admiral Stuart Mayer.

Mr Jeremy Buckingham: Hello, sailor!

The Hon. GREG PEARCE: HMAS *Canberra* is a great example that our modernised forces are not what Mr Jeremy Buckingham thinks of—bang, bang, shoot them up. They are capable of providing technologically advanced assistance, particularly large-scale humanitarian assistance, in the Pacific and in our region. HMAS *Canberra* is one of two Canberra class amphibious assault ships, otherwise known as landing helicopter docks. It is the largest ship ever constructed for the Royal Australian Navy. It provides the Australian Defence Force with the most sophisticated air, land and sea amphibious deployment system in the world. It includes medical facilities amongst its features and has two fully fitted out operating theatres, eight-bed critical care units, and a variety of low- and medium-care beds.

The ship has facilities dedicated to pathology, radiology, X-ray, pharmacy and dental. It is capable, on an urgent basis, of providing massive support for humanitarian aid in the event of natural disasters and other emergencies. We should be proud to see our defence force being directed in that way. It is designed not only to ensure that our country is safe but also to provide a fundamental humanitarian service throughout our region, which is one of our responsibilities. At the same time, it provides the opportunity for us to develop export

industries and technology. I am pleased to see that is the way we are spending our defence dollars. I encourage all members to participate in and support the development of our defence strategy and particularly the defence industry in New South Wales.

ONE NATION PREFERENCE ARRANGEMENTS

The Hon. JOHN GRAHAM (21:59): I woke this morning to read the exciting news that the National Aeronautics and Space Administration [NASA] had revived life that had been dormant for 60,000 years in ice caves in Mexico. These forms of life had stayed in extreme conditions, frozen in time, unchanged, until scientists were able to revive them. The hunt for what NASA calls "extremophiles" had been going on for some time. It appears that the New South Wales Government has launched a similar search for extremophiles. That is the only conclusion I can draw from the statement made by the new Premier when she was asked in the other place to rule out a preference deal with One Nation. She refused to do so. She said simply to the member who asked the question:

I share his interest in ensuring that we have tolerance for all members of our community.

That is, she failed to rule out a deal. She failed the first test of tolerance. She failed to follow John Howard, Peter Costello and John Brogden in drawing a line in the sand relating to this extreme political party. We saw why this morning. New South Wales Senator Brian Burston announced One Nation's re-entry into New South Wales politics. He said that the party is on track to apply for registration in the middle of the year. Asked whether the party will end up doing preference deals with either the Liberals or Nationals in certain seats, Senator Burston said:

I don't doubt that at all.

Nor, it appears, does the Premier. I understand the feeling of some voters that politics has left them behind and is not addressing their concerns. Let us recap the activities of One Nation. This party is a threat to our modern mixed economy and our multicultural community in New South Wales. What will it mean for our tourism and education industries, this party whose official policy is to abolish multiculturalism? What will it mean for our fresh produce exporters, this party that is opposed to Asians? What will it mean for our cattle exporters, this party that is opposed to Muslims? What happens to the New South Wales economy when those jobs go? What about the attack on workers by this political party that has abolished penalty rates, voted for legislation that bans agreements to hire apprentices, and that supports a 2 per cent easy tax, devastating the Government's ability to provide services?

So the extremophiles are back—their political views frozen in time, unchanged. What has changed is the position of the Liberal Party and this new Premier, who want to deal with them. It may all be a conspiracy. That was the view of One Nation Senator Malcolm Roberts on climate change. On *Q&A* he alleged that climate figures had been corrupted and manipulated. "By who?", asked prominent scientist Professor Brian Cox. "NASA," Mr Roberts replied. I support NASA. I oppose One Nation, not just because their views are abhorrent on matters of race or tolerance or inclusion or multiculturalism—and they are abhorrent. I oppose them because, if given weight, their views would represent a wrecking ball for the New South Wales economy—for cattle sales, for fresh produce, for tourism operators, for education exporters and for the workers employed in those industries. I call on the Government to rule out preferencing One Nation. Like Howard, Costello and Brogden, the Premier should take a principled stand for tolerance.

WESTERN SYDNEY INCINERATOR PROPOSAL

Mr JEREMY BUCKINGHAM (22:02): I speak on behalf of the people of Western Sydney in opposition to the proposal by Next Generation to build a massive waste-burning power station in this great city. The proposal by Next Generation to build a 120-megawatt waste-burning incinerator at Eastern Creek, adjacent to Erskine Park and Minchinbury, is an abomination. I stand with those communities in opposition to it. It is outrageous that the proposal is even on the table. I call on the Premier, the member for Mulgoa and the Minister for Western Sydney to intervene and tell the company to back off. There is no way that the community will accept a company getting rich by making them sick, and this proposal will make them sick.

I put on the record of the Parliament of New South Wales that this proposal involves the proponent burning, each year, one million tonnes of garbage. It is the biggest waste-to-energy—the proponent calls it "green energy"—proposal in the world in the most built-up part of this magnificent city. It is outrageous that it is even a consideration that the hardworking people of Western Sydney, who already suffer from degraded air quality, could face a future where they would have two 100-metre smoke stacks pumping nitrous oxides, heavy metals, dioxins, furans and all kinds of volatile organic compounds into the atmosphere. Those compounds are, even in the words of the proponents, "a risk to human health".

There are residences within 800 metres and residences and schools within 1,800 metres. Massive urban development—a huge industrial park—is proposed for the area but this proposal will result in the processing of

some of the most noxious construction waste. The project will take waste from things such as flocks—the interior of cars—and 400,000 tonnes of soft and hard plastic, concrete, metal and unknown chemicals and incinerate it at 800 degrees Celsius. The emissions will be pumped over the people of Western Sydney. It is acknowledged that the plume will travel up to 30 kilometres, which means that we will all be breathing it. The silvertails in suburbs like Manly and Vacluse will be coping it too. This is the biggest, most stupid idea I have ever heard in terms of energy in this State.

The people of Western Sydney will not cop it. This Government is very wobbly. The Government has to lose only eight seats at the State election and it will be out. The Coalition will not win a seat in Western Sydney if it backs this proposal—there are absolutely no ifs and no buts. The Government can kiss the electorates of Mulgoa and Penrith and other Western Sydney electorates goodbye because residents will not cop a proposal like this. The proposal will produce 400,000 tonnes of toxic ash, which will have to go to landfill and 50,000 tonnes of toxic residue that must be encased in concrete before it goes to landfill. The Environmental Impact Statement [EIS] admits the proposed facility may release substances to the atmosphere that have the potential to impact upon human health. Hundreds of thousands or millions of tonnes of garbage will be burnt to create what the proponents call "green energy".

I went to the presentation by the proponents at Erskine Park the other day, and I have never seen a bigger farce. They handed around a plastic bag full of plastic and said, "Look at that; it's not so bad, is it? That is what we are proposing to deal with." A sensible fellow at that meeting stood up and said, "It is not on fire, is it?" The people of Western Sydney will not allow the Government to turn their backyard into a massive garbage incinerator. The Government should nip this idea in the bud now. The EIS is on display. The proponents will have a war on their hands if they try to trash Western Sydney and the lungs of the people of Western Sydney with a garbage incinerator that is a toxic mess.

GREYHOUND RACING INDUSTRY BAN

The Hon. ROBERT BORSAK (22:08): I wish to inform the new upper House leadership team, and the new Premier, of the key issues surrounding the greyhound racing industry ban. This, and other issues about which this Liberal-Nationals Government had stopped listening to rural New South Wales, was key to the election of the Shooters and Fishers Party's first lower House member of Parliament, Philip Donato, in the Orange by-election. For the information of honourable members, Mr Donato will deliver his inaugural speech tomorrow. In an answer to my question without notice on October 12 last year, the then upper House Nationals leader Duncan Gay refused to inform this place of a timeline for repealing the Greyhound Racing Prohibition Act 2016. Instead, he said:

The racing ban will be repealed in the first session of Parliament next year before the date that the ban was meant to take place. I note that it has been 133 days since the announced reversal of the greyhound racing industry ban, and we are yet to have a bill introduced in the Legislative Council. No mention of such a bill was made in the Government's briefing to the crossbench this morning either. I welcome the Greyhound Industry Reform Panel's report as a gesture in the sense that it shows there is a future for greyhounds in this State. One area that is not adequately covered, however, is funding. How will the greyhound racing industry fund these new proposed measures that have been announced? Tax harmonisation and a fairer Inter-Code Agreement between greyhound racing, harness racing and thoroughbreds is what is needed. Currently greyhound racing has 21.7 per cent of the market share, but receives only about 13 per cent of the revenue under the Inter-Code Agreement. That is roughly 30 per cent of its revenue going elsewhere.

I have heard that the new Premier assured Racing NSW and the thoroughbred industry that the unfair Inter-Code Agreement will not change—that is not good enough. The main issues of finance in this reform panel's report are exactly the same as those I covered in the Select Committee on Greyhound Racing inquiry I chaired into greyhound racing in 2013 and 2014, and few of the 18 recommendations from the Select Committee on Greyhound Racing were implemented. Recommendations 11, 12 and 13 from the parliamentary inquiry proposed the introduction of a Racing Integrity Commissioner to oversee the three racing codes—greyhound racing, harness racing and thoroughbreds—or a Greyhound Racing Integrity Commissioner. This is essentially the same as the Greyhound Industry Reform Panel. It is nothing new.

If the Government had stopped thumbing its nose at upper House committees it could have saved itself a lot of electoral pain, and saved a lot of angst and heartache for participants in the greyhound racing industry. One clear example I can think of is the General Purpose Standing Committee No. 3 inquiry into registered nurses in New South Wales nursing homes—one that my colleague the Hon. Robert Brown and I took a great interest in. The Hon. Robert Brown still has the Public Health Amendment (Registered Nurses in Nursing Homes) Bill 2016 on the notice paper.

This inquiry's report was delivered on 29 October 2015 and the Government response was due on 29 April 2016. The Government response is now 299 days overdue. What a disgrace! I would not stand for that sort of treatment of any inquiry I chaired, mark my words. Gladys Berejiklian and John Barilaro say they are listening when it comes to greyhound racing. I am yet to be convinced that it is genuine, but I hope it is. Premier,

my message to you is clear: Stop treating greyhound racing like the poor cousin of other codes, and stop running a protection racket for horseracing.

SOCIAL ENTERPRISE INITIATIVE

The Hon. ERNEST WONG (22:11): I share with my colleagues in this House a fantastic initiative I had the great pleasure of learning more about on a recent trip back to Hong Kong. As reported in the *South China Morning Post*:

Social enterprises have been developing well in Hong Kong over the past decade. The number of social enterprises has grown more than 50 per cent from four years ago with 80 per cent of them still in operation and 60 per cent being profitable.

These social enterprises are world-leading both in terms of number and operational soundness. The scope and mix of participants have also been expanding, initially from the social welfare sector but now to different business circles, young start-up entrepreneurs and even retirees that are all devoted to cross-disciplinary cooperation among citizens, business, government and academic sectors for the common good.

The social enterprises initiative consists of businesses that trade to intentionally tackle social problems, improve communities, provide access to employment and training, or help the environment. Using the power of the marketplace to solve the most pressing societal problems, they are commercially viable businesses existing to benefit the public and the community rather than just the shareholders and owners. In Hong Kong the Government supports the development of these social enterprises through various measures, including providing start-up funding and cross-sector collaboration, nurturing social entrepreneurs and enhancing public awareness through community forums, district workshops and walking tours organised in respective districts, producing "good maps", promoting social entrepreneurs and good deeds in various districts, and providing an awards program that encourages leaders from the business and social entrepreneur sectors in the districts to join hands with local community bodies to set up a sharing platform for social enterprises with a view to promoting the culture of "Business for Good" and a caring community.

The success of this initiative is all but guaranteed when the Government—in this instance, the Hong Kong Government—is committed to promoting the development of social enterprises to create employment opportunities for the disadvantaged, to help them to become self-reliant and subsequently to foster a new caring culture and enhance social harmony. There has been a marked increase in the rate of employment of people with disabilities as well as the creation of more work opportunities for them. Social enterprises are not something unfamiliar in Australia, but as "Finding Australia's Social Enterprise Sector: Final Report 2016" states:

In Australia, public policy support for social enterprise development has been slower to develop. The most significant policy initiative since the last FASES study was the 2011 establishment of the Social Enterprise Development and Investment Funds under the federal Rudd Labor Government.

However, since then lack of collaboration from State and Federal governments in providing enabling regulation, supporting organisational development and stimulating innovation in policy design has been hindering the development in this sector. This week I was excited to see that the Victorian Government has taken the lead to become the first Australian State to launch a social enterprises strategy. Sadly, we are yet to see any progress from the New South Wales Government or any involvement from the Federal Coalition Government. It is reasonable to acknowledge that challenges can arise from initiatives such as this, but the greatest challenge in getting such an initiative off the ground centres on a lack of government leading.

Momentum is building around the world. Canada, the United States, Senegal, the United Kingdom and others are playing a proactive role in developing a positive policy environment for social enterprise and implementing long-term strategic plans of nurturing the sector with funds and incentive programs. Unfortunately, the Australian social enterprise sector is commonly regarded as being 10 years behind the United Kingdom—the well-respected international leader in the field—not to mention far behind even a small city such as Hong Kong. I would like members to join me in calling on all levels of government to thoroughly investigate the significance of social enterprises in our communities and to work swiftly and collaboratively to implement them here, where they are most needed. I thank the Hong Kong Government for providing me with the opportunity to visit some of the enterprises to have a better understanding of how they operate. I congratulate it on its ongoing investment to close the gap for the disadvantaged and marginalised in its communities.

VETERANS AFFAIRS

The Hon. SCOTT FARLOW (22:16): Tonight I discuss several matters relating to veterans affairs including the New South Wales Government Veterans Employment Program [VEP], the Invictus Games and the current investigation into alleged misuse of RSL funds. I recognise the dedication of Mr Glenn Kolomeitz, the Chief Executive Officer of RSL NSW. As G. K. Chesterton said, "The true soldier fights not because he hates what is in front of him, but because he loves what is behind him." Many people have gone to war fighting for the Australian way of life that we all love and cherish. Some, sadly, died. Others—our veterans—returned home.

They serve as a sobering reminder of those who fought for everything we have, but did not survive to share it with us.

Approximately 1,300 people leave the service of the Australian Defence Force [ADF] annually and come to call New South Wales home. Unfortunately, it is often the case that veterans encounter difficulties readjusting to civilian life, including finding employment. In March 2015 the Government committed to employing 200 additional veterans into the New South Wales public sector by 2019. In March 2016 the then Premier Mike Baird, alongside Minister for Veterans Affairs the Hon. David Elliott, who is doing a fantastic job, launched the Veterans Employment Program to do just that. I am proud to be part of a Government that takes care of our veterans. They looked after us and were prepared to make the ultimate sacrifice. We must ensure that we look after them.

The VEP taps into the unique skills and abilities that ADF veterans can bring to the workforce and places them in employment where their talents are needed most. Some 24 key government organisations are now partners of the VEP. As of September 2016, only six months after the launch of the program, 105 additional former ADF personnel were employed through the program, with the justice and transport areas being the employment frontrunners. It is abundantly clear that this Government's Veterans Employment Program is more than well on its way to achieving its target of employing 200 veterans by 2019.

Last year Prince Harry made the exciting announcement that Sydney would host the 2018 Invictus Games, in which 500 competitors from 17 countries will take part. In choosing Sydney, Prince Harry said that Sydney was an easy decision, as we all know it would be. "We had three key criteria," the Prince said. "First, it had to be an iconic city, somewhere known the world over. Second, it needed to be a city with a proud military heritage, which would welcome competitors from all over the world with open arms. Finally, we wanted to go somewhere where they are absolutely sports mad and would really get behind our competitors. It was an easy decision really, the 2018 Invictus Games are coming to Sydney." Of course we all look forward to this event.

With regard to the current investigation into the alleged misuse of funds by members of the Returned and Services League [RSL] New South Wales State Council, I would like to clarify to the House a few matters of fact. In September 2016 the New South Wales RSL announced a forensic audit would be conducted into the past seven years of spending by its senior leadership team due to concerns around financial transparency. Forensic accounting firm KordaMentha was engaged to investigate the alleged misuse of \$2 million in fees paid to the RSL council members who had served as directors of LifeCare since 2007. Late last year KordaMentha made available its interim report to Minister Elliott, and based on this report Minister Elliott wrote to the Commissioner of Police, the Minister for Better Regulation and the Attorney General requesting that any alleged contraventions be investigated. As the investigations are ongoing, it would be inappropriate to make any further comment on this matter other than to update the House. The comments from those members opposite that this was some sort of property grab are absolutely preposterous.

I would also like to recognise in this difficult environment the distinguished service of Mr Glenn Kolomeitz, the chief executive officer of New South Wales RSL. In a time when the Returned and Services League is going through deep and divisive investigations, Glenn deserves recognition for his hard work and commitment to a fair and just outcome, standing up for all the RSL sub-branches across the State. Glenn has made many personal sacrifices, as have the many men and women who are members of the organisation. I wish Glenn every success as he reforms the RSL and returns it to being the organisation it is meant to be—defending our veterans' honour, welfare and sacrifice. That is the reason that the RSL has been around for 100 years, and that is the reason that the RSL needs to be around for 100 more years.

The DEPUTY PRESIDENT (The Hon. Shayne Mallard): The question is that this House do now adjourn.

Motion agreed to.

The House adjourned at 22:22 until Wednesday 22 February at 11:00.